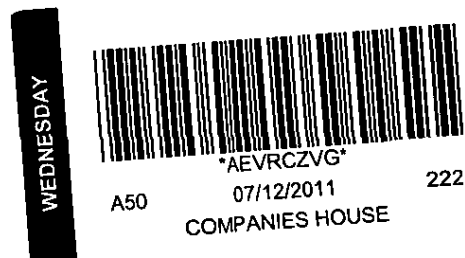


REGISTERED COMPANY NUMBER: 02388397 (England and Wales)
REGISTERED CHARITY NUMBER: 701896

**Report of the Trustees and
Audited Financial Statements For The Year Ended 31 March 2011
for
GROUNDWORK BRIDGEND & NEATH PORT TALBOT**



KTS OWENS THOMAS LIMITED
Chartered Accountants and Statutory Auditor
The Counting House
Celtic Gateway
Cardiff
CF11 0SN

Groundwork Bridgend & Neath Port Talbot

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GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Report of the Trustees for the year ended 31 March 2011

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2011. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02388397 (England and Wales)

Registered Charity number

701896

Registered office

The Engine House
Parc Tondy Maesteg Road
Tondy
Bridgend
CF32 9TF

Trustees

D C Edwards	- resigned 21/3/2011
D Lewis	
H J Murdoch	
B Rees	
B Roberts	
L Walker	
J C Spanswick	- resigned 1/7/2011
HJ David	
A N Marshall	
C J Crowley	
P J White	- appointed 7/9/2011

Patron

Kate Thomas Lord Lieutenant of Mid Glamorgan

Vice Patron & Honary Member

Bill Harries-Baker

Executive Director

M Evans

Company Secretary

M Evans

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Report of the Trustees for the year ended 31 March 2011

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

KTS OWENS THOMAS LIMITED

Chartered Accountants and Statutory Auditor

The Counting House

Celtic Gateway

Cardiff

CF11 0SN

Advisers

Barclays Bank Plc

Bridgend Business Centre

PO Box 23

Bridgend

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure of the Charity

Groundwork Bridgend & Neath Port Talbot is a Charity and a company limited by guarantee. The governing documents are its Memorandum and Articles of Association. The guarantors are Groundwork UK, Bridgend County Borough Council and Neath Port Talbot County Council. The liability in respect of the guarantee is limited to £1 per member company.

The Board of Trustees

The Board of Trustees comprise the trustees of the charity in accordance with the Charities Act 1993 who are also the directors of the company in accordance with the Companies Act 2006. The Board is made up of 6 elected and 3 co-opted members. Co-opted trustees are co-opted by the Board to broaden the skills base of the Board or to secure specialist expertise.

Terms of Office

Trustees stand down in rotation each year and are normally eligible for re-election for up to two terms of office. The Board may resolve to permit elected trustees to stand for a further term of office where it is desirable to preserve specialist skills or continuity. Co-opted trustees are co-opted for variable terms of office not exceeding three years, and may normally serve up to six years, but the Board may extend this in order to retain specialist skills or for continuity.

Induction and training of new trustees

New members of the Board of Trustees are provided with the Federation's Governance Handbook and other key documents and have an induction meeting with the Executive Director.

Organisational structure

The Board of Trustees delegates certain decision-making powers to its main Executive Committees: the Finance and Human Resources Sub Committee. The Board retains authority for the overall strategy and policy of the Trust and approves the annual Business Plan.

A Board Trustee chairs each of the Board committees and the members of each committee are appointed by the Board. Terms of Reference for each of the committees set down their delegated authority.

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Report of the Trustees for the year ended 31 March 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT

Relationships with the Network

The Trust is a member of The Groundwork Federation. The Trust, together with the other trusts in Wales is a member of Groundwork Wales.

Risk management

The Board fully accepts its responsibilities under the Charity Commission's Statement of Recommended Practice (SORP) for ensuring that the major risks to which the charity is exposed are identified and reviewed, and that there are systems in place to mitigate them. Major risks are those that have a high probability of occurring, and would if they occurred, have a severe impact on either operation performance or achievement of purposes, or could damage Groundwork's reputation.

A risk management strategy has been developed, which comprises of -

- An annual review of the risks that the charity may face
- The monthly monitoring of risks by the Executive Director and Management Team
- The implementation of procedures to mitigate any potential impact on the Charity should any of those risks materialise

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Report of the Trustees for the year ended 31 March 2011

OBJECTIVES AND ACTIVITIES

Objectives and aims

The overall aim of Groundwork Bridgend and Neath Port Talbot is to provide a significant contribution to the economic, social and environmental regeneration and prosperity of the area, working through a multi-sectoral partnership approach. This was specifically stated in the original sponsor's agreement and the articles and memoranda of the charitable company as -

- (a) Promote the conservation, protection and improvement of the physical and natural environment
- (b) Provide facilities in the interests of social welfare for recreation and leisure time occupation designed to improve the conditions of life for those living, working and visiting the area
- (c) Advance public education in environmental matters and the ways of better conserving, protecting and improving the environment.

Our approach is to look at issues holistically, whereby, environmental, economic, social and cultural problems are tackled at the same time. Groundwork Bridgend and Neath Port Talbot enables an integrated, bottom up approach to regeneration and utilises sustainable development as a catalyst for action and through the excellence of the partnerships we establish.

This approach engages with and embraces -

PEOPLE

Working with, empowering and enabling more people to engage and become committed to sustainable development and regeneration. Assisting people to implement their locally derived vision for the future.

PLACES

Creating better, safer, healthier neighbourhoods by enhancing where people live, work and spend their leisure time. Developing local distinctiveness - appreciating the past, by informing the present and encouraging thought and action for the future.

The importance of place can be Archaeological Heritage, Natural Heritage, Built Environment, Customs and Traditions or our Industrial Heritage.

PROSPERITY

Helping private companies and public bodies improve their environmental performance and competitiveness, creating training and employment opportunities, supporting community regeneration and building economic capital. The development of People and Places to provide a solid underpinning for the development of locally driven Green Tourism. The creation of jobs for long term unemployed people and the development and delivery of projects that reduce CO2.

This integrated approach will help to engender new purpose and a local sense of 'can do', a sense of enterprise and a new sense of citizenship and partnership.

PARTNERSHIP

Groundwork Bridgend and Neath Port Talbot works in partnership with the Welsh Government, The Local Authorities of Bridgend and Neath Port Talbot and many community and voluntary organisations within its area. Groundwork Bridgend and Neath Port Talbot will look to work more with the Private Sector to improve the Economic, Social and Environmental needs of people.

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

**Report of the Trustees
for the year ended 31 March 2011**

OBJECTIVES AND ACTIVITIES

Objectives and aims

Objectives for the year

Groundwork Bridgend and Neath Port Talbot delivers its Aims and Objectives under 3 key programmes

- PEOPLE
- PLACES
- PROSPERITY

PEOPLE

The key aim is to build individual, social and cultural capital whilst working with local people to provide physical facilities to match local need whilst finding creative solutions to the long-term revenue issues, to maintain centres/buildings/facilities of local importance

Some of the key tools will be -

- Training and mentoring
- Education & Life Long Learning and Youth Work
- Assistance in networking e.g. Community Environmental Network, Arts & Crafts/Societies Artwork etc
- Asset based Community Economic Regeneration

Renewable Energy

- Reduce CO2 emissions and alleviate climate change
- Reduce fuel poverty
- Contribute towards building the renewable energy economy in Wales
- Increase GDP and employment opportunities

PROSPERITY

Intermediate Labour Market

- Period of employment for unemployed people
- On the job training and support
- Job search

PLACES

The main aim is to make significant contribution to the physical environment of the area. There are two major programme areas that are managed by this Business Unit.

- Green Tourism Programme
- Landscape Enhancement

The Trust has referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing current and future objectives and activities

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Report of the Trustees for the year ended 31 March 2011

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Trust continues to support and be supported by the other Trusts in Wales in reaching the goals set out in the Groundwork in Wales Strategic Plan that are as a result of the Baker Report.

The Trust continues to develop and implement projects in partnership with its local authorities and partners as outlined below

PEOPLE

Bettws

The Bettws LIFE Centre is a community building owned by Bridgend County Borough Council and leased by Groundwork Bridgend and Neath Port Talbot. The centre is a community hub providing an important venue for training, personal development and social cohesion

The Centre aims to continue the good work of the Healthy Living Initiative and become a Social Enterprise run by local people, supported by Groundwork

A Friends group continues to assist in the development of the Social Enterprise and to determine its profit generating operations. They will also identify and consider the options regarding the long-term sustainability of the Life Centre

Youth Works

The overall aims of the programme are to

- Contribute to a 30-50% reduction in neighbourhood crime over 3 years
- Reduce arrest rates in the high risk target group by 60% over 3 years
- Involve local people so that the programme is integrated with other partnerships in the locality to sustain it long term
- Provide programmes and activities which develop the skills and potential of young people and which motivate them to become involved in their personal development and the regeneration of their local community

The priority aims for this year are to

- Continue to reduce alcohol and drug use among young people across Bridgend
- Promote our programme with a view to expansion into Neath Port Talbot
- Increase our evening provision by at least 2 projects
- Expand our daytime skills referral and complimentary educational programmes to full time for 15-18 year olds across the whole county borough
- Address the needs of 8-12 year olds through the provision of play programmes with YouthWorks play rangers
- Develop intervention programmes to address the needs of young people across the county borough of Bridgend suffering from emotional, health and well being problems and mental health issues

We continue to build on the success of the past using the financial security that the Big Lottery core funding allows

Report of the Trustees for the year ended 31 March 2011

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Rural Development Plan - Positive Energy

The Positive Energy Programme aims to deliver energy efficiency advice coupled with practical guidance and support to communities across Swansea Unitary Authority in line with the Welsh Assembly Governments commitment to addressing fuel poverty in Wales. Fuel poverty is a major issue for the Welsh Assembly Government and a commitment has been made for its elimination by 2012. This will not be an easy task, so it is vital that people experiencing fuel poverty are directly engaged with and the issue not treated in isolation as other social, economic and environmental problems are often experienced in tandem.

Using innovative strategies to reflect the needs of specific communities, the project focuses on reducing fuel poverty, introducing energy efficiency measures and providing advice and support to those that are the hardest to reach.

The project will

- Promote sustainable energy usage
- Encourage new partnerships to be developed between the Local Authority and householders in hard to reach communities
- Reduce CO2 emissions from households and cut fuel bills
- Engage communities in renewable energy projects and assist with leverage of funding installations

The Programme will work within all RDP wards in Swansea over its 3-year duration, providing energy related advice whilst installing practical measures.

The implementation of the Positive Energy project takes an holistic approach to the provision of energy efficiency measures for the community, bringing together a variety of suitable community based and focused organisations, creating events (energy surgeries) that are 'one-stop shops' for advice, support and practical help in addressing fuel poverty and health. Implementation of the project across a broader spectrum of community facilities, for example youth clubs, day centres, schools and scout and guide groups, encourages a wider range of people from local communities to become involved and helps foster strong roots in the community. 'Energy Champions' or volunteers who have been involved in the organisation of events and are interested in further training and energy efficiency education will be supported by the project officers.

Energy efficiency advice is augmented with the provision of effective and easy to implement energy efficiency products, for example, low-energy light bulbs. This is further supported by home energy audits that enable the householder to make cost saving changes that do not require excessive capital expenditure.

Environmental Action

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Report of the Trustees for the year ended 31 March 2011

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The focus of the programme is to engage local people in making physical environmental improvements to the areas in which they live. The project enables people to help themselves. The project ideas come from the communities themselves who then plan, fund-raise and implement their projects with the close support of the Environmental Action Team. Formal and/or informal training sessions/workshops are organised so as to ensure community members have the requisite skills for their projects to succeed in both the short and long term. Two important features of the projects undertaken have been the involvement of environmental artists in order to engage the widest possible range of community members and the involvement of local school children. The project further provides for 2 part-time Artists-in-Residence who work in the Priority 3 wards in around the Afan Forest Park and are based at the Park's Visitor centre.

PLACES

The landscape team is engaged in the development and implementation of sustainable regeneration projects and is committed to working in partnership across the County Boroughs of Bridgend and Neath Port Talbot.

The landscape team's method of working engages with local people in a way that is relevant to them and their lifestyles and seeks to encourage them to participate in activities, which will be of value to themselves and their locality. The landscape team of landscape architects works closely with other groundwork staff with expertise in a range of disciplines, including environmental business advisors, youth workers, education officers and energy experts, this enables the development and delivery of integrated projects.

The landscape team are looking to undertake the following projects in Bridgend -

- Project management of Breathing Spaces Environmental Improvements scheme at Blaengarw involving the construction of sports field, BMX track and multi use games area
- The undertaking of sketch schemes for Garw Valley Environmental Action in order to develop local projects. This service will provide local community groups with designs and cost estimates that can support funding applications for their projects. This design and management service can be provided through to the implementation of the project.
- The delivery of the project at Cefn Cribbwr which consists of the creation of a new war memorial and associated landscaping
- We are in discussions with the local authority to help deliver the following projects, Bryngarw House Phase 3 project, Community Routes and a landscaping scheme at Nant Hir in the Upper Garw
- Ogmere Vale free running track is being developed and will include a purpose built facility for local young people to carry out free running in a designated safe area within the schools grounds
- At Parc Tondur we are looking to secure funding for interpretation and the creation of a heritage trail within the top site

The landscape team are looking to undertake the following projects in Neath Port Talbot:-

- Community Artworks associated with the Afan Valley Cycle Routes which looks to raise the profile of the route for visitors
- Development of a Skate Park on land adjacent to Pontardawe Leisure Centre which will be the only one in the area
- Landscaping enhancements of the Park to create a safe place for play and use by the local school for sports

Report of the Trustees for the year ended 31 March 2011

ACHIEVEMENT AND PERFORMANCE

Charitable activities

- We are looking to secure further funding from HLF to develop and deliver restoration and enhancement of Glanrhyd arboretum
- Developing a project to secure funding to enhance the site of a former woollen mill water falls and double viaduct
- Groundwork and Fairyland Communities First are working in partnership to develop a community training venue and community allotment project for the residents of Fairyland. The project will realise one of the main aims laid down in the Fairyland Action Plan in which residents highlighted the lack of communal facilities on the estate. The funding will allow us to recruit a dedicated project manager and trainee project officer who will work closely with the residents of Fairyland to take the project forward

PROSPERITY

Employment Initiatives

Community Task Force

The Department for Work & Pensions (DWP) has announced Groundwork UK as their preferred bidder in South West Wales & Wales Valleys to deliver the Community Task Force (CTF) element of the Young Person's Guarantee. This will lead to Groundwork UK being the sole contract holder for this provision. It will also represent the first occasion that Groundwork UK will hold a "prime contract" with DWP.

CTF, along with the other three elements of the Young Persons' Guarantee, is a short term response to the economic downturn. All four elements are planned to have their final starts by 31st March 2011. It is being procured in 2 phases, mirroring the roll-out of flexible New Deal.

CTF is the mandatory element of the Guarantee. Therefore, unemployed people can choose to participate, but also can be mandated to attend, with loss of benefits should they fail to. Additionally, a young person who leaves another element early will be sent to do their "balance of time" on CTF. It is a 30 hours per week, five days per week programme, wherein young unemployed people will take part in a work placement for 25 hours and be supported through job search for the other five.

The provision will be inspectable by Estyn, the Welsh equivalent of Ofsted, and it is highly likely that such an inspection will occur within the contract's lifespan.

Future Jobs

The Future Jobs Fund is the flagship initiative in the Government's Young Person's Guarantee, a programme of support being offered to unemployed young people (18-24) designed to provide temporary work or training in an attempt to combat rising levels of worklessness.

The Fund was established jointly by the Department for Communities and Local Government (CLG) and the Department for Work and Pensions (DWP) and responds to the national review of worklessness led by Councillor Steve Houghton. The review concluded that local authorities and others should be engaged in a national programme of temporary employment to ensure that the long-term unemployed, in particular young people, weren't further disadvantaged during a recession.

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Report of the Trustees for the year ended 31 March 2011

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Fund has a basic model, providing funding for employers to employ young people (and people over 24 who live in unemployment 'hotspots') to undertake work benefiting the community for a period of six months. For each job created the Fund will provide employers with £6,500. After six months the funding for that job will cease and the person employed, if they haven't found permanent work in the interim, will leave the employer (with a CV and reference) and be eligible for further government employability programmes.

Those employed need to be paid at least the minimum wage for a minimum of 25 hours per week.

The target set for the fund is to create 150,000 new jobs (ie jobs which wouldn't otherwise have existed) between October 2009 and March 2011 with 10,000 of those being 'green jobs'.

Groundwork UK and the National Housing Federation (NHF) submitted a national partnership bid based on creating 6,600 jobs with Groundwork UK acting as accountable body and involving more than 30 Groundwork Trusts and more than 60 Housing Associations.

Groundwork Bridgend and Neath Port Talbot are also delivering Future Jobs on behalf of the Local Authority in Bridgend under contract.

Key Performance Indicators

All Groundwork Trusts report against an agreed set of National Performance Measures which have been reviewed during the course of the year by both Local Authorities.

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Report of the Trustees for the year ended 31 March 2011

FINANCIAL REVIEW

Reserves policy

The Trust Board and the Senior Management Team have set a revised Reserve Policy and the Board has agreed that a reasonable level of unrestricted reserves is required for the following reasons

- To absorb short term set backs 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 required 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 to improve services and efficiency of the trust and to help retain professional employees
- To cover the costs of developing new services, such as communications, research, quality and business information systems

The above needs for reserves have to be balanced against the following factors

- The need to be seen to act as a responsible charity by Central Government, our sponsors and the Charity Commission
- The need to avoid the accusation of creating excessive surpluses and accumulating large surpluses for which there is no future planned requirement or that bear no relation to the charitable aims

In reviewing the above criteria the Board has determined that it should continue to aim for an unrestricted General Fund of £375,000 This figure is reviewed annually to reflect the new staff structure which has been implemented over the past few years through consolidation

Principal Funding Sources

The total income for the year is £3,008,662 (2010 £1,573,852) The major sources of funding during the year are shown in note 3

FUTURE DEVELOPMENTS

The Board approved a business plan for 2011/12 in February 2011 The Operational Plan contained within this plan sets out Headline Targets and Performance Measures for the year with subsidiary targets and timescales The Headline Targets for 2011/12 are

- People £1,172k income generation
- Places £1,103k income generation
- Prosperity £406k income generation
- Achieve surplus of funds for the year
- Review the Strategic Plan to re-evaluate the objectives set for the Trust for the next 5 years
- Review the Financial Action Plan to improve the financial performance of the Trust.

Currently Groundwork Wales and the other Groundwork Charities are reviewing their structures and working practices At the time of writing, no further details are known about what changes, if any, will occur Therefore the financial statements have been prepared on a going concern basis

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Report of the Trustees for the year ended 31 March 2011

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Groundwork Bridgend & Neath Port Talbot for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charity SORP,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, KTS Owens Thomas Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

**Report of the Trustees
for the year ended 31 March 2011**

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'B Rees', written in a cursive style.

B Rees - Trustee

Date 22-11-11

We have audited the financial statements of Groundwork Bridgend & Neath Port Talbot for the year ended 31 March 2011 on pages sixteen to thirty two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under Section 44 of that Act. 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 Statement of Trustees' Responsibilities, 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 1993 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 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 financial statements 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 charitable company's affairs as at 31 March 2011 and of its 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, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 1993 requires us to report to you if, in our opinion

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements , or
- the charitable company has 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.

KTS Owens Thomas Limited

KTS OWENS THOMAS LIMITED
Chartered Accountants and Statutory Auditor
The Counting House
Celtic Gateway
Cardiff
CF11 0SN

Date *22.11.11*

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the year ended 31 March 2011

		Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
	Notes				
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2	30,525	-	30,525	35,754
Incoming resources from charitable activities					
	3				
People		109,716	1,043,794	1,153,510	798,238
Places		123,974	-	123,974	107,575
Prosperity		263,270	1,110,852	1,374,122	314,560
Partnerships		-	326,531	326,531	317,725
Total incoming resources		527,485	2,481,177	3,008,662	1,573,852
RESOURCES EXPENDED					
Charitable activities					
	4				
People		113,437	922,744	1,036,181	832,036
Places		139,321	35,644	174,965	152,681
Prosperity		197,384	994,126	1,191,510	301,837
Partnerships		2,538	296,448	298,986	273,454
Governance costs	6	-	9,250	9,250	9,156
Total resources expended		452,680	2,258,212	2,710,892	1,569,164
NET INCOME FOR THE YEAR before transfers					
		74,805	222,965	297,770	4,688
Gross transfers between funds	17	126,404	(126,404)	-	-
Net income/(expenditure) for the year		201,209	96,561	297,770	4,688
RECONCILIATION OF FUNDS					
Total funds brought forward		225,045	457,963	683,008	678,320
TOTAL FUNDS CARRIED FORWARD		426,254	554,524	980,778	683,008

The notes form part of these financial statements

Balance Sheet
At 31 March 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	10	889,605	811,742
Investments			
Investments	11	1	1
Investment property	12	220,000	220,000
		<u>1,109,606</u>	<u>1,031,743</u>
CURRENT ASSETS			
Stocks		169,727	49,153
Debtors amounts falling due within one year	13	361,400	222,649
Cash at bank		194,206	120,671
		<u>725,333</u>	<u>392,473</u>
CREDITORS			
Amounts falling due within one year	14	(679,351)	(550,385)
NET CURRENT ASSETS/(LIABILITIES)		<u>45,982</u>	<u>(157,912)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,155,588</u>	<u>873,831</u>
CREDITORS			
Amounts falling due after more than one year	15	(174,810)	(190,823)
NET ASSETS		<u>980,778</u>	<u>683,008</u>
FUNDS	17		
Unrestricted funds		426,254	225,045
Restricted funds		554,524	457,963
TOTAL FUNDS		<u>980,778</u>	<u>683,008</u>

The notes form part of these financial statements

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Balance Sheet - continued

At 31 March 2011

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2011

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements

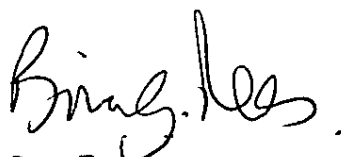
The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company

These financial statements have been audited under the requirements of Section 43 of the Charities Act 1993

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Trustees on 22-11-11 and were signed on its behalf by



B Rees -Trustee

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31 March 2011**

I. ACCOUNTING POLICIES

Basis of preparing the financial statements

Currently Groundwork Wales and the Groundwork Federation Charities are reviewing their structures and working practices. At the time of completion, no further details are known about what changes, if any, will occur. Therefore the financial statements have been prepared on a going concern basis.

Accounting convention

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 April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Preparation of consolidated financial statements

The financial statements contain information about Groundwork Bridgend & Neath Port Talbot as an individual charity and do not contain consolidated financial information as the parent of a group. The charity has taken advantage of the exemption under FRS2 to exclude certain subsidiary undertakings from consolidation as their inclusion is not material for the purpose of giving a true and fair view.

Incoming resources

All incoming resources are included on the Financial Statements when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Where grants or other arrangements giving rise to income require the charity to provide services or which are linked to performance of particular services, these are recognised to the extent that the service has been provided or performance carried out.

Where conditions are attached to grants or donations, the charity recognises these as income to the extent that it is certain that the conditions imposed can be met.

Government grants

Grants receivable from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the charity will comply with the conditions attached thereto.

Gifts in Kind

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

**Notes to the Financial Statements - continued
for the year ended 31 March 2011**

I. ACCOUNTING POLICIES - continued

Resources expended

The charitable activities expenditure is comprised of expenditure and staff costs directly attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities based on individuals employed on the project. This includes 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.

Governance costs

Governance costs include items such as external audit and legal costs relating to the governance of the charity, as well as costs associated with the charity's strategic management.

Allocation and apportionment of costs

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

Fixed Assets

A capital item is any building, installation, item of plant or equipment, fixture, fitting, vehicle, land (whether leasehold or freehold) or any other item which

- is bought or fabricated at a net of recoverable VAT cost of £1,000 or more, and
- has an estimated useful life of more than one year, and
- can be separately identified throughout its life

Depreciation

Depreciation is calculated so as to write off the cost of an asset less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- 4%, 2% & 0.8% over the course of the lease
Freehold Property	- 2% straight line
Equipment	- 33% and 20% straight line
Motor vehicles	- 20% straight line

No depreciation is provided on freehold land.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Work in progress

Work in progress is valued at the lower of cost and net realisable value.

Taxation

The charity is exempt from corporation tax on its charitable activities.

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Notes to the Financial Statements - continued for the year ended 31 March 2011

1. ACCOUNTING POLICIES - continued

Fund accounting

General funds are available for use at the discretion of the directors in furtherance of the general objectives of the company

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

All income and expenditure is shown in the Statement of Financial Activities. Certain elements of restricted fund income may be deferred to future period in order to recognise the restrictions on the use of these funds

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate

Company Status

The trust is a company limited by guarantee. The guarantors are the Groundwork Foundation, Bridgend County Borough Council and Neath Port Talbot County Borough Council. The liability in respect of the guarantee is limited to £1 per member of the company

2. INVESTMENT INCOME

	2011	2010
	£	£
Rents received	30,445	35,748
Deposit account interest	80	6
	<u>30,525</u>	<u>35,754</u>

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Notes to the Financial Statements - continued
for the year ended 31 March 2011

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2011 £	2010 £
People	109,716	1,043,794	1,153,510	798,238
Places	123,974	-	123,974	107,575
Prosperity	263,270	1,110,852	1,374,122	314,560
Partnership	-	326,531	326,531	317,725
	<u>496,960</u>	<u>2,481,177</u>	<u>2,978,137</u>	<u>1,538,098</u>

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Notes to the Financial Statements - continued for the year ended 31 March 2011

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - continued

Income from projects was provided by

	Unrestricted Funds £	Restricted Funds £	2011 £	2010 £
WAG- Projects	42,898	26,968	69,866	50,396
WAG- via GWales- Bridgend	-	88,353	88,353	85,799
WAG- via GWales- Neath	-	122,428	122,428	118,862
BCBC- Core	-	47,650	47,650	47,500
BCBC- Project	51,041	1,018,510	1,069,551	458,927
Neath Port Talbot CBC- Core	-	63,271	63,271	63,271
Neath Port Talbot CBC- Project	-	-	-	131,302
Other local authorities	26,055	15,624	41,679	4,942
CCW	3,243	37,574	40,817	48,658
Other Government Sources	-	1,970	1,970	10,098
Other Groundworks	160,209	360,752	520,961	21,454
National Lottery - BLF**	4,504	208,864	213,368	241,051
Other Private Sector	145,530	453,593	599,123	457,702
Health Authority	-	12,463	12,463	12,300
Internal Project Income	104,108	-	104,108	24,068
Movement in deferred income/ work in progress	(40,628)	23,157	(17,471)	(238,232)
	<u>496,960</u>	<u>2,481,177</u>	<u>2,978,137</u>	<u>1,538,098</u>

**During the year, Lottery Funding was received for the following projects

Youthworks £167,196 (2010 £157,716), Realising Resources £41,668 (2010 £83,335)

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Notes to the Financial Statements - continued
for the year ended 31 March 2011

4. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 5)	Totals
	£	£	£
People	964,709	71,472	1,036,181
Places	168,465	6,500	174,965
Prosperity	1,139,510	52,000	1,191,510
Partnerships	63,899	235,087	298,986
	<u>2,336,583</u>	<u>365,059</u>	<u>2,701,642</u>

Expenditure on projects

	Unrestricted Funds	Restricted Funds	2011	2010
	£	£	£	£
People	113,437	928,638	1,042,075	832,036
Places	139,321	29,144	168,465	152,681
Prosperity	197,384	994,126	1,191,510	301,837
Partnerships	2,538	297,054	299,592	273,454
	<u>452,680</u>	<u>2,248,962</u>	<u>2,701,642</u>	<u>1,560,008</u>

	Direct Cost of Activities	Direct Salary Costs	Support Costs	Total	
	£	£	£	2011	2010
	£	£	£	£	£
People	450,685	519,918	71,472	1,042,075	832,036
Places	98,942	63,023	6,500	168,465	152,681
Prosperity	204,904	934,606	52,000	1,191,510	301,837
Partnerships	1,225	63,280	235,087	299,592	273,454
	<u>755,756</u>	<u>1,580,827</u>	<u>365,059</u>	<u>2,701,642</u>	<u>1,560,008</u>

Included in expenditure on projects are the following amounts in respect of Lottery funded Projects
Youthworks £166,255 (2010 £167,596), Realising Resources £35,204 (2010 £81,599) and Fairyland Allotments
£4,437 (2010 £Nil)

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Notes to the Financial Statements - continued for the year ended 31 March 2011

5. SUPPORT COSTS

	2011	2010
	£	£
Accommodation	40,354	30,453
Administration	33,770	24,783
Travel	2,997	7,762
Recruitment & Training	3,926	1,172
Communication	23,192	22,144
Professional Fees	633	30
Miscellaneous	13,839	1,452
Depreciation	40,355	44,649
Fundraising & Publicity	14,342	4,737
Groundwork Wales Expenditure	28,070	18,070
Finance Charges	7,664	7,987
Irrecoverable VAT	12,625	11,349
Salary Costs	143,292	126,436
	<u>365,059</u>	<u>301,024</u>

Support costs have been allocated to projects based on the number of individual employed on that project

6. GOVERNANCE COSTS

	2011	2010
	£	£
Trustees' expenses	606	-
Trustee liability insurance	3,000	3,600
Meeting costs	1,344	1,506
Auditors' remuneration	4,300	4,050
	<u>9,250</u>	<u>9,156</u>

The company purchases indemnity insurance in respect of all the trustees and officers other than caused by wilful or criminal negligence. The cost of this insurance was £3,000 (2010 £3,600)

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Notes to the Financial Statements - continued
for the year ended 31 March 2011

7. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2011	2010
	£	£
Auditors' remuneration	4,300	4,050
Depreciation - owned assets	<u>40,355</u>	<u>44,649</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

Trustees' Expenses

During the year 1 (2010: No) Trustee was remunerated for travel expenses in the year. See note 6.

9. STAFF COSTS

	2011	2010
	£	£
Wages and salaries	1,584,776	841,945
Social security costs	99,889	66,769
Other pension costs	39,454	35,641
	<u>1,724,119</u>	<u>944,355</u>

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

	2011	2010
Direct Charitable	112	72
Management & Support	9	7
	<u>121</u>	<u>79</u>

Direct charitable includes 103 (2010: 100) employees under the Future Jobs Fund Programme employed for six months of the year - average 70 (2010: 50pa)

No employee earned more than £60,000 per annum (2010: None)

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Notes to the Financial Statements - continued
for the year ended 31 March 2011

10. TANGIBLE FIXED ASSETS

	Freehold property £	Project assets £	Furniture and equipment £	Motor vehicles £	Totals £
COST					
At 1 April 2010	855,202	111,204	119,587	76,772	1,162,765
Additions	107,818	-	-	10,400	118,218
At 31 March 2011	963,020	111,204	119,587	87,172	1,280,983
DEPRECIATION					
At 1 April 2010	98,665	91,562	107,705	53,091	351,023
Charge for year	20,096	9,527	3,331	7,401	40,355
At 31 March 2011	118,761	101,089	111,036	60,492	391,378
NET BOOK VALUE					
At 31 March 2011	844,259	10,115	8,551	26,680	889,605
At 31 March 2010	756,537	19,642	11,882	23,681	811,742

Land is included within freehold property at a value of £250,358 (2010 £250,358), it is not depreciated

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2010 and 31 March 2011	1
NET BOOK VALUE	
At 31 March 2011	1
At 31 March 2010	1

There were no investment assets outside the UK

The company's investments at the balance sheet date in the share capital of companies include the following

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Notes to the Financial Statements - continued for the year ended 31 March 2011

11. FIXED ASSET INVESTMENTS - continued

Sustainable Development Ltd

Nature of business Dormant subsidiary

Class of share	% holding
Ordinary £1 shares	100

The company is exempt from preparing consolidated accounts under FRS 2 as the inclusion of the subsidiary is not material to show a true and fair view

12. INVESTMENT PROPERTY

	£
MARKET VALUE	
At 1 April 2010 and 31 March 2011	<u>220,000</u>
NET BOOK VALUE	
At 31 March 2011	<u>220,000</u>
At 31 March 2010	<u>220,000</u>

The valuation of the Investment Property has been reviewed by the trustees and they do not consider the value of the property to have materially changed in value

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade debtors	350,919	210,542
Prepayments and accrued income	10,481	12,107
	<u>361,400</u>	<u>222,649</u>

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Notes to the Financial Statements - continued for the year ended 31 March 2011

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Bank loans and overdrafts	-	34,258
Trade creditors	71,652	84,527
Social security and other taxes	60,011	29,369
Other creditors	3,508	7,276
Accruals and deferred income	544,180	394,955
	<u>679,351</u>	<u>550,385</u>

Included within Accruals and deferred income are the following deferred income balances

	2011	2010
	£	£
At 1 April 2010	350,482	147,864
Deferred in year	488,528	350,482
Released to SOFA in year	(350,482)	(147,864)
At 31 March 2011	<u>488,528</u>	<u>350,482</u>

All deferred income relates to ongoing projects, except for £Nil (2010 £136,000) which relates to a capital build project which is due to commence next year

Included within other creditors is £3,508 (2010 £7,276) in relation to pensions

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011	2010
	£	£
Bank and other loans	<u>174,810</u>	<u>190,823</u>

The Barclays loan and overdraft are secured against the Environment Centre and Engine House and a Debenture against the assets of the charity

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Notes to the Financial Statements - continued
for the year ended 31 March 2011

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2011 Total funds	2010 Total funds
	£	£	£	£
Fixed assets	31,545	858,060	889,605	811,742
Investments	220,001	-	220,001	220,001
Current assets	284,479	440,854	725,333	392,473
Current liabilities	(109,771)	(569,580)	(679,351)	(550,385)
Long term liabilities	-	(174,810)	(174,810)	(190,823)
	<u>426,254</u>	<u>554,524</u>	<u>980,778</u>	<u>683,008</u>

17. MOVEMENT IN FUNDS

	At 1/4/10 £	Net movement in funds £	Transfers between funds £	At 31/3/11 £
Unrestricted funds				
General fund	225,045	74,805	126,404	426,254
Restricted funds				
Project funding	-	126,404	(126,404)	-
Capital Project funding	457,963	96,561	-	554,524
	<u>457,963</u>	<u>222,965</u>	<u>(126,404)</u>	<u>554,524</u>
TOTAL FUNDS	<u>683,008</u>	<u>297,770</u>	<u>-</u>	<u>980,778</u>

GROUNDWORK BRIDGEND & NEATH PORT TALBOT

Notes to the Financial Statements - continued
for the year ended 31 March 2011

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	527,485	(452,680)	74,805
Restricted funds			
Project funding	2,349,130	(2,222,726)	126,404
Capital Project funding	132,047	(35,486)	96,561
	<u>2,481,177</u>	<u>(2,258,212)</u>	<u>222,965</u>
TOTAL FUNDS	<u><u>3,008,662</u></u>	<u><u>(2,710,892)</u></u>	<u><u>297,770</u></u>

The capital project fund is made up of income received for the use of the purchase or construction of capital assets

Transfers between funds

The transfer from restricted to unrestricted funds is due to the fulfilment of the criteria on the restricted funds

18. CONTINGENT LIABILITIES

Groundwork Bridgend and Neath Port Talbot is a guarantor for Groundwork Wales, a company limited by guarantee and the guarantee is £1. There are no known contingent liabilities as at 31 March 2011 (2010: £nil).

19. CAPITAL COMMITMENTS

Groundwork Bridgend and Neath Port Talbot has made a commitment to purchase a modular building for its Youthworks project in the sum of £Nil (2010: £98,525) at the year end. The funding received in respect of this building is held in deferred income until delivery and completion of the building.

**Notes to the Financial Statements - continued
for the year ended 31 March 2011**

20. RELATED PARTY DISCLOSURES

The transactions with related parties in the year were as follows

1 Mr D Lewis, who served as a director throughout the year, is a Cabinet Member of Neath Port Talbot County Borough Council "NPTCBC" In the year ended 31st March 2011, NPTCBC provided funding to the charity to the value of £220,063 (2010 £178,845), and at the balance sheet date £16,318 (2010 £8,093) was owed from them

2 Mr H David, who served as a director throughout the year, is a member of the Community Council of Cefn Cribw Community Council "CCCC" In the year ended 31st March 2011, CCCC provided funding to the charity to the value of £5,085 (2010 £Nil), and at the balance sheet date £6,102 (2010 £Nil) was owed from them

3 Mr H David, Mr J Spadwick and Mr P White, who both served as directors throughout the year, are Concillors for Bridgend County Borough Council "BCBC" In the year ended 31st March 2011, BCBC provided funding to the charity to the value of £967,626 (2010 £369,914), and at the balance sheet date £141,683 (2010 £5,405) was owed from them

21. PENSION SCHEME

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund amounting to £39,454 (2010 £35,641)

22. COMPANY LIMITED BY GUARANTEE

The trust is a company limited by guarantee. The guarantors are the Federation of Groundwork trusts, Bridgend County Borough Council and Neath Port Talbot County Borough Council. The liability in respect of the guarantee is limited to £1 per member of the company.