

REGISTRAR OF COMPANIES

Groundwork Caerphilly
(A Company Limited by Guarantee –
Registered Number 2501792)

Charity Registration Number 1006811

Annual Report & Consolidated Financial Statements
For the year ended 31 March 2008

Broomfield & Alexander Limited
Professional Advisors
Pendragon House
Caxton Place
Pentwyn
CARDIFF
CF23 8XE

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**GROUNDWORK CAERPHILLY
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2008**

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**GROUNDWORK CAERPHILLY
MEMBERS, DIRECTORS AND ADVISORS**

Board of Directors

Chairman

Mr B Davies

Vice Chairman

Mr R H Cooke

Other Board Members

Councillor Leon Gardiner (Caerphilly County Borough Council)
(resigned May 2008)
Councillor R Woodyatt (Caerphilly County Borough Council)
(resigned May 2008)
Councillor S Jenkins (Caerphilly County Borough Council)
Mr L K L Williams
Mr C Davenport
Mr G Hale (resigned Sept 2007)
Mr P G Davy
Mr M Veale
Ms A Thompsett (resigned Mar 2008)

Board Advisors

Mr T Hooper (Caerphilly County Borough Council) (Resigned Aug 2007)

Executive Director

Mr I McIntosh (Acting Executive Director)
Mr N Forster (Resigned Sept 2007)

Secretary & Registered Office

Mr C Davenport
Mynyddislwyn Offices
Bryn Road
Pontllanfraith
Blackwood
Gwent
NP12 2BH

Registered Auditors

Broomfield & Alexander Limited
Registered Auditors & Chartered Accountants
Pendragon House
Caxton Place
Pentwyn
Cardiff
CF23 8XE

Registered Number

2501792

Bankers

HSBC Plc
High Street
Newbridge

Lloyds TSB Plc
High street
Rhymney

**GROUNDWORK CAERPHILLY
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2008**

The directors present their annual report with the accounts of the Company for the year ended 31st March 2008.

PRINCIPAL ACTIVITIES

The Trust is a registered charity and a company limited by guarantee and is governed by its Memorandum and Articles of Association.

Groundwork is a leading UK wide environmental partnership organisation which consists of the UK Federation of 48 independent Trusts, which form part of the national Groundwork network, supported by Groundwork UK.

Groundwork's national network mission is 'to build sustainable communities through joint environmental action'.

In Wales, Groundwork Caerphilly is currently part of a regional network of four Trusts and is a full member of Groundwork Wales, which supports the Trusts in Wales, and is responsible for developing the Groundwork network in Wales.

Groundwork Caerphilly's mission is 'to bring about the social, environmental and economic regeneration of Caerphilly County Borough, in partnership with the local authority, local communities, voluntary sector and business'.

The Trust has the following charitable objectives:-

- a) To promote the conservation, protection and improvement of the physical and natural environment.
- b) To provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living, working and visiting in the area.
- c) To advance public education in environmental matters and in the ways of better conserving, protecting and improving the environment.

Groundwork's approach has been to develop and implement programmes that concentrate on four key areas:

People	creating opportunities for people to learn new skills and take local action
Places	creating better, safer and healthier neighbourhoods
Prosperity	helping businesses and individuals fulfil their potential
Partnerships	building communities through joint action

DIRECTORS AND MEMBERS

The directors and members as at 31st March 2008 are set out on page 1.

DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those accounts, the directors are required to:-

- 1. Select suitable accounting policies and then apply them consistently.
- 2. Make judgements and estimates that are reasonable and prudent.

**GROUNDWORK CAERPHILLY
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)**

3. Follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts.
4. Prepare the accounts 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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

Directors are appointed through an election process following a standard recruitment process in line with the Memorandum & Articles of Association of Groundwork Caerphilly. When appointed, directors undertake a standard Trustee Induction Programme that includes a governance training programme.

The Executive Director is given delegated powers to operate the Trust by the Board of Directors and reports at Board meetings on progress and Trust status.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the trustees are aware, there is no relevant audit information (as defined by Section 234Za of the Companies Act 1985) of which the charity's auditors are unaware, and they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

AUDITORS

The auditors, Broomfield & Alexander Limited, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Trust was incorporated as a company on 14th May 1990 and registered as a charity (Charity No. 1006811) with the Charity Commissioners on 13th December 1991.

The Trust's area of operation includes the whole of Caerphilly County Borough and it's surrounding area's..

The eighteenth financial year for the Trust ended on 31st March 2008 and once again the Trust has continued to further develop and expand its key programmes as part of a strategic approach to the environmental regeneration of Caerphilly County Borough.

The Trust has continued to further develop and consolidate its strategic role in partnership with the Welsh Assembly Government, Local Authority, local communities, voluntary and private sectors in order to bring about sustainable environmental improvements related to local needs and opportunities.

The consolidated operating deficit for the year amounted to £449,228 (2006/2007 operating deficit £287,304). Of this amount £128,762 was a deficit on restricted funds and £33,536 deficit from the trading company..

The results for the year are set out on pages 16-19 of the Financial Statements.

**GROUNDWORK CAERPHILLY
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)**

REVIEW OF 2007-08

OVERVIEW

Strategic overview

There has been a significant emphasis on developing the 'Groundwork in Wales' brand, in which this Trust has a stated aim to increase its South East Wales coverage and work collaboratively with other Trusts in Wales. The last year has seen the continuing shift to regional and sub-regional agenda's and the Trust has needed to position itself within this while ensuring its contribution to local regeneration in Caerphilly. This challenge will increase in 2008-09.

We have continued to develop our work with a wide range of partners, largely through our work in addressing economic inactivity. We have also increased our range of partnerships with CCBC as a result in the shift in emphasis of our work. However, Groundwork in Wales along with much of the voluntary sector has concerns over its ability to access, influence and benefit from key initiatives such as the Heads of the Valleys and EU Convergence funding. This is a focus for us in 2008-09.

During this year we have set up a wholly owned subsidiary, GC Enterprises (Wales) Ltd, in order to utilise initiatives, gain additional income and develop further opportunities with the CFE, WEEE Directive and the development of commercial sector 'team building' activities, that directly benefit the local environment to assist with our move away from grant dependency.

Organisation

There has been a change of leadership at the Trust during the last year with a replacement anticipated early 2008-09. We recognise that a review of our staffing structure to a more cost effective model will be required during 2008-09 in the light of programmes ending during the coming year and staff release. In the light of this period of change with programmes coming to an end, we are expecting a high turnover of staff during the first quarter of 2008-09. Delivery has been considerably enhanced by the improvement in staff retention at project officer level and in particular, we have considerably increased our strength in community engagement and capacity building. This improvement has been recognised by our partners and our communities. We are grateful to the Welsh Assembly government for the continued support of our team through the Communities First initiative, and to the EU for their support, without which these achievements would not be possible.

Programmes

We have continued to develop the 'people' focussed approach of our work aimed at engaging people at all levels in local regeneration. However, we are committed to retaining a balance of work across the three key themes of People, Places and Prosperity.

Key achievements have been the development of our work in addressing economic inactivity through the On the Ground, Community Spaces, ILM programmes with the commencement of our Mentro Allan programme, which focuses on addressing health inequalities through the environment, a significant change with the start of our Trading Company which has led to an upturn in activity at the Community Furniture Enterprise. The EBS team met all their targets in providing an environmental accreditation to a wide range of businesses in Caerphilly, Torfaen and Blaenau Gwent and came to an end during 2007. We have also completed our Sustainable Communities ERDF programme which delivered a wide range of environmental projects within some of Caerphilly's most deprived housing areas.

We have significantly enhanced the communities of Crosskeys & Pontywaun with the successful delivery of a major capital based environmental regeneration programme.

**GROUNDWORK CAERPHILLY
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)**

In addition to this, both our Community Environmental Network and Youth Environment programmes have been extended for an additional year to the end of March 2009 and will continue to develop these areas of work further in the light of funding streams changing in the coming year. We have developed 2 new major programmes with an aim to secure additional funding with new work to be undertaken through the Rural Development Plan (RDP) programme that is due to commence during 2008-09 in Caerphilly.

Disappointments for the Trust not only include the lack of funding streams coming to fruition but the unfortunate end of the regional EBS programme in August 2007.

Funding

We aimed to secure a targeted total income of £2,411,395 to support the Trust and its work as set out in the Business Plan and to generate a surplus of £794 to support future activities. Due to insufficient drawdown of EU funding, a number of programmes falling behind schedule and a number of speculative funding bids failing to materialise, the actual income is £2,108,222 (of which £115,026 relates to the trading company) with a deficit on unrestricted reserves of £320,466 of which £33,536 relates to the trading company. Unfortunately as a result of this deficit the Trust has been placed on 'red alert' under the Groundwork Federation 'traffic-light' system.

Outputs

Performance measurements are reported to Groundwork UK and Welsh Assembly Government and have exceeded the targets set for 2007-08.

PEOPLE OVERVIEW AND KEY ACHIEVEMENTS

Our 'People' Mission is 'to bring lasting benefits to local people, their environment and economy, by supporting all members in some of our most marginalised communities to raise self-esteem and foster local pride'.

Overview

We work with communities to help them bring about positive changes for themselves and their local environment by developing new skills, raising self-esteem, encouraging a sense of ownership and fostering local pride. Local regeneration partnerships receive support to act as the catalyst of engagement in this process, building capacity and increasing the confidence of both individuals and communities.

Our contribution to community regeneration and development came through three programmes as listed below in 2007-08.

The integration of our '**People**' work with the wider sustainable development agenda has proven very successful over the past year; our contribution to social, economic and physical regeneration has helped to establish our credentials in the area of community regeneration and development.

The key objectives and position on the Trust's key People programmes for 2007-08 are summarised as follows:

**GROUNDWORK CAERPHILLY
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)**

Community Environmental Network (CEN)

Key objective	Key Achievements
To promote the County Borough- wide Communities First Environmental Network programme as a model for engaging communities in a wide range of community led environmental initiatives.	<p>A core programme for the Trust operating across all Communities First areas.</p> <ul style="list-style-type: none"> ▪ Successful negotiations with Caerphilly County Borough Council and Welsh Assembly Government led to the continuation of the Communities First team until March 09. Five officers a Team Leader and Support Officer now deliver this programme. Negotiations underway for post March 09. ▪ The team continued to lead on the development and delivery of the Community Environmental audit process in partnership with CCBC, GAVO and other stakeholders. ▪ The CEN team have continued to support ALL 16 Communities First Partnership boards within Caerphilly offering varied advice and support where needed. ▪ CEN Team developed a number of outdoor activity days for mixed ages, empowering locals to use their immediate outdoor environment. ▪ The team have instigated the involvement of businesses through offering team-building activities, supporting businesses to "put something back" and add to their corporate social responsibility agenda. ▪ The CEN team have developed many projects in local Primary schools, assisting in the work for Foundation Phase learning. Further work to be done around this topic. ▪ ERDF 'On the Ground' Team have also successfully negotiated with ERDF to employ an additional officer along with a contribution to a team leader post to support the continued demand for the programme. ▪ The 'On the Ground' core volunteers have continued to shine and their commitment to the programme has been central to it fulfilling the majority of its objectives.

Education for Sustainable Development (ESD)

Key Objective	Key Achievements
To develop and promote the Trust's Education for Sustainable Development programme	<p>This initiative has been attempting to cross cut the Community Programmes giving greater co-ordination and a raising of its profile:</p> <ul style="list-style-type: none"> ▪ Fair Trade Foundation funding was secured, enabling the delivery of awareness raising information to be disseminated to schools across South East Wales. ▪ A number of school grounds across South East Wales have benefited from our involvement in the 'Supergrounds' programme.

**GROUNDWORK CAERPHILLY
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)**

Key Objective	Key Achievements
To develop the Youth Environment Initiative engaging young people in local and global environmental issues.	<p>The key emphasis for this programme was to engage with young people on environmental issues; building capacity and offering opportunities to engage in local environmental and citizenship issues.</p> <ul style="list-style-type: none"> ▪ The programme was successful in recruiting a new officer. ▪ The programme successfully delivered against its targets. ▪ With support from the Community Environmental Team the initiative delivered a range of activities from practical alternative green agenda activities, traditional youth work activities, healthy living promotion, Bushcraft sessions and debates on local and global sustainability and citizenship ▪ Delivery of a summer scheme programme with the Communities First, Community Spaces teams was delivered utilising Cefn Fforest Eco Park, Park Penallta and other venues across target areas. ▪ A service level agreement has been established between the Trust and The Caerphilly YPP for Cymorth funding. ▪ Funding has been secured and Targets have been set and agreed with Caerphilly YPP (Cymorth) for 2008-09

PLACES OVERVIEW AND KEY ACHIEVEMENTS

Our 'Places' mission is:

'Working with partners to create better, safer, healthier and more sustainable communities by enhancing the areas where people want to live, work and spend their leisure time'.

Overview

Programmes are categorised under '**The Natural Environment**' and '**The Built Environment**' which reflect Groundwork's continuing work to address broader physical environmental issues: a focus on the relationship between people and their living, social and working environments. As a result, the key objective and position on the Trust's key 'Places' programmes are summarised as follows:

**GROUNDWORK CAERPHILLY
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)**

THE BUILT ENVIRONMENT

Village Regeneration

Key Objective	Key Achievements
To help regenerate local village centres in order to improve the environmental, social and economic 'heart of communities'.	<ul style="list-style-type: none"> ▪ We have continued to deliver the ERDF funded 'Crosskeys & Pontywaun Environmental Regeneration Programme' including the completion of a gateway feature in Pontywaun, Pontywaun Canal, Crosskeys Corner, Crosskeys Gateway, The Two Rivers Walk and Waunfawr Park enhancements. ▪ The Green Park Festival was held in August, attracting over 1500 people. The next festival is scheduled for May 08. ▪ We have assisted community organisations and the local Authority in delivering village enhancements as part of the ERDF/ LRF Loops and Links programme. ▪ We have secured a design commission for an entrance scheme into Llanbradach under Housing Renewal status.

THE NATURAL ENVIRONMENT

Community Spaces

Key Objective	Key Achievements
To develop the ERDF 'Community Spaces' programme in strengthening links between local communities and public green spaces.	<ul style="list-style-type: none"> ▪ A key programme for the Trust is in utilising public open green space as a means of engaging local people in environmental activities. Parc Penallta, Cefn Fforest Ecopark and the Upper Sirhowy Valley are the focus areas. ▪ Maximised opportunity for community participation and enhancement of the open spaces identified, with the employment of the 2 additional officers. • The programme has delivered a diverse range of activities supporting volunteering opportunities through the 'On the Ground' programme, providing Ray Mears style 'Bushcraft' activities and traditional skill taster days for young people and offering local stakeholders and businesses focussed officer time. ▪ The programme continued its support for mini junior rangers in Parc Penallta. ▪ Traditional Skills workshops have been delivered in the Upper Sirhowy Valley and Cefn Fforest Eco Park. • The programme has built stronger links with local schools through a programme of tailored fun activities including media workshops, orienteering trails etc.

**GROUNDWORK CAERPHILLY
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)**

Access and Community Routeways

Key Objective	Key Achievements
To develop the Green Tourism programme.	<ul style="list-style-type: none"> Groundwork Caerphilly is part of the SW Valleys-wide HERIAN project and the Valleys Regional Park project promoting tourism potential through industrial heritage.
To develop a 'Loops and Links' programme.	<ul style="list-style-type: none"> We have completed 8 new routes under the 'Loops & Links' programme in Caerphilly with funding assistance from ERDF and CCW. We are developing a range of new tracks extending from Caerphilly Mountain through to Ruperra. This work is being funded through Cydcoed and forms part of our 'Loops & Links' work. Potential new work is being developed through the Heads of the Valleys programme.

PROSPERITY OVERVIEW AND KEY ACHIEVEMENTS

Our 'Prosperity' mission is:

'To promote the social, economic and environmental regeneration of Caerphilly by being the leading source of environmental advice to local SMEs, providing sustainable environmental improvements to priority industrial estates and the development of innovative social enterprise'.

Overview

The Trust's 'Prosperity' programmes continued to link the environment and local economic regeneration.

The Environmental Business Services (EBS) programme provided environmental support through the Green Dragon initiative but with little physical regeneration works within targeted business areas in the Caerphilly County Borough as previously achieved. The programme continued our consultancy work in local authority areas adjacent to Caerphilly, this was consistent with the Groundwork in Wales agenda of developing services and activities beyond existing Trust boundaries.

The Trust set up a Trading Company, G.C. Enterprises (Wales) Ltd during 2007-08 to include the Community Furniture Enterprise which is based at the Lawn Business Village in Rhymney. The purpose of the project is to collect donations of potentially re-usable furniture and potentially re-usable white goods, to repair as necessary, conduct appropriate testing and make available for sale at low cost to people on low incomes. The ILM programme provided placements at the CFE to not only provide additional resources for the Company but also provide valuable experience for low-skilled individuals from deprived communities. This has led to employment for some placements at the CFE.

The Kerbside Recycling Scheme continues to promote recycling throughout the area and has expanded its operations and participation rates. The project has been based on a contract with Caerphilly County Borough Council with continuation of the contract currently under negotiation with CCBC.

**GROUNDWORK CAERPHILLY
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)**

During the last financial year the Trust has continued with the success of a pilot Intermediate Labour Market programme that helps people who are economically inactive, socially excluded and disadvantaged to enter work by providing a transition from welfare to employment. This was operational only for people from the Upper Rhymney Valley.

The key objective and achievements on the Trust's key 'Prosperity' programmes are summarised as follows:

Environmental Business Services

Key Objective	Key Achievements/Issues
To further develop the Environmental Business Services programme	<p>Successful completion of the 3 year programme developed by Groundwork Wales in conjunction with Arena Network which came to an end in August 2007.</p> <p>Met the programme target of 90 companies achieving Green Dragon Level 2 and above for SMEs within Caerphilly, Torfaen and Blaenau Gwent.</p> <p>Develop an EBS programme in the future that has a wider remit throughout the region within Groundwork in Wales.</p>

Social Enterprise (CFE and Kerbside)

Key Objective	Key Achievements / Issues:
To support the development of Community Enterprises and Services and the wider Social Economy in the area.	<p>The Business Development Manager has transferred to the CFE to manage the CFE project that has now been set up within a Trading Company.</p> <p>Improvements have included:</p> <ul style="list-style-type: none"> ▪ The development of a business plan for G.C. Enterprises (Wales) Ltd identifying quarterly and year end targets that include the Community Furniture Enterprise; ▪ Introduction of stock and sales monitoring controls. The controls now monitor daily, weekly, quarterly and annual sales results through a new scanning/barcode computerised system. ▪ Contracts awarded relating to WEEE to help finance the CFE and bring in income to the Trust; ▪ Internal improvements to the building and increased efficiency to the service; ▪ Transfer of staff through formal consultation process from the Trust into the Trading Company; ▪ Increased number of placements through the ILM Programme, of which some are now employees for the project;

**GROUNDWORK CAERPHILLY
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)**

BUSINESS DEVELOPMENT KEY ACHIEVEMENTS

Overview

Ongoing business development is vital in ensuring the viability of the Trust, particularly in the light of the challenges and opportunities with new funding streams. The changing agenda's of partners and sponsors, regionalisation and the emergence of Groundwork in Wales 'Cross-Boundary' programmes are giving increased development opportunities.

In 2007-08 we have initiated a number of Groundwork in Wales 'Cross-Boundary' programmes to take forward in 2008-09. We are continuing to look at new developments with the Trading Company and will look at maximising our programme delivery opportunities with the diverse skills by our staff.

Key Objective	Key Achievements
To ensure that the Trust maintains and further develops a key role as a major partner in the regeneration of Caerphilly County Borough	<ul style="list-style-type: none"> ▪ Key partner in the development of the Caerphilly Community Strategy, providing executive and management team support, supporting strategic and community partnerships, supporting the Beacon projects and activities across all thematic headings. ▪ Key partner in the delivery of Communities First with a team of officers supported through WAG. ▪ Significant advances in tackling key issues of economic inactivity through environmental volunteering and ILM work. ▪ Development of cross-boundary programmes through Groundwork in Wales.
To ensure that the Trust develops a key role as a major partner on a regional basis as part of Groundwork in Wales	<ul style="list-style-type: none"> ▪ Further development of Cross Boundary programmes with other Trusts in Wales ▪ Development of regional partnerships through the ILM programme which may lead to new opportunities for the Trust ▪ Development of expansion opportunities into surrounding areas such as Torfaen and Newport with external partners.

**GROUNDWORK CAERPHILLY
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)**

Groundwork Caerphilly – our vision for the future.

It is fundamental that we respond to, and anticipate changes in our operating environment. Our view on this and our vision for the next ten years is set as follows:

Our vision

The vision for Groundwork Caerphilly sits within the vision for the Groundwork Federation. We have interpreted this vision within our local context as follows:

'We will be recognised as a leader in community led sustainable regeneration in Wales by demonstrating the principles of sustainable development throughout our area of influence and in our policies and practices'.

'We will demonstrate the 'uniqueness' of the Groundwork approach through innovative actions and by applying global principles to local situations within our project work'.

'We will be a 'model' partner, encouraging collaboration, learning from, and sharing with others'.

'We will remain accountable and responsive to local communities, providing 'quality of life' opportunities and supporting regeneration in response to local need'.

'We will establish a reputation for working with the hardest-to-reach groups and individuals'.

Our guiding principles for achieving our vision are:

- ❖ ***Changing Places, Changing Lives.....Changing Minds*** – encouraging, supporting and informing society to 'think and act sustainably' through our work and our actions.
- ❖ ***Learning through doing*** - Demonstrating the vital role of community participation in land based activities, natural resource use and other environmental action and activities in achieving sustainable economic growth and social change.
- ❖ ***A sustainable approach to the natural & built environment*** - Demonstrating that changes in our built environment can be balanced with the needs of the natural environment through sustainable development principles.
- ❖ ***Understanding local need, identity & culture*** - Truly understanding our communities and their needs, collectively and individually, and using their identity, heritage, culture and values to find innovative solutions and apply 'global principles to local situations'.

We will realise our vision by:

- ❖ ***Developing as a 'People focussed organisation'*** with a range of clearly identified social and economic benefits through our environmental and sustainable development work.
- ❖ ***Developing as a diverse and flexible organisation with a broad SE Wales base with targeted programmes based on local need*** and within the context of the shape and structure of Groundwork in Wales.
- ❖ ***Being an exemplar 'Responsible Business'***; attractive to investors and partners by demonstrating sustainability in its widest sense. We will be an excellent employer with sustainable business practices and responsible employment, procurement, waste and energy policies.

**GROUNDWORK CAERPHILLY
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)**

- ❖ *Providing a wide range of environmental services and learning opportunities in sustainable development*, an integral link between community and business, sustainable skills and employment. We will evidence the benefits of our work, sharing knowledge and experiences with others.
- ❖ *Becoming financially independent through a broad mix of income and a strong asset base* and supported by a broad network of multi-sectoral partnerships that share the Trust's vision and ideals.

RISK MANAGEMENT

The Directors have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the organisation and are satisfied that systems are in place to mitigate exposure to any major risks.

RESERVES POLICY

The Directors aim to maintain a level of 6 months free reserves, sufficient to ensure that the Charity's operations remain sustainable.

FUND BY FUND ANALYSIS OF AVAILABILITY OF ASSETS

The Board of Directors have reviewed the reserves of the Charity. The review encompassed the nature of the income and expenditure streams and the need to fulfil future commitments.

Total funds equate to 10% of expected unrestricted fund expenditure each year and the Board of Directors believe this is adequate to ensure continuance of all the Charity's project aims over the next few years without interruption.

INVESTMENTS

The Trust does not hold any investments.

Signed on behalf of the board of directors



Mr B Davies
Approved by the Board on 17 September 2008

REGISTERED OFFICE
Mynyddislwyn Offices
Bryn Road
Pontllanfraith
Blackwood
NP12 2BH

**GROUNDWORK CAERPHILLY
REPORT OF THE INDEPENDENT AUDITORS
FOR THE YEAR ENDED 31 MARCH 2008**

We have audited the financial statements of Groundwork Caerphilly for the year ended 31 March 2008 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The responsibilities of the trustees (who are also the directors of Groundwork Caerphilly for the purposes of company law) for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charity is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GRONDWORK CAERPHILLY (Continued)
FOR THE YEAR ENDED 31 MARCH 2008**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the group's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the report of the directors is consistent with the financial statements.

Broomfield - Alexander

Broomfield & Alexander Limited
Chartered Accountants and Registered Auditors
Pendragon House
Caxton Place
Pentwyn
CARDIFF
CF23 8XE

Dated: *17 September 2008*

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2008**

	NOTES	UN- RESTRICTED FUNDS £	RESTRICTED FUNDS £	TOTAL 2008 £	TOTAL 2007 £
INCOMING RESOURCES					
Activities in furtherance of the charity's objects:					
- Voluntary Income	3	207,360	-	207,360	201,700
Incoming resources from charitable activities					
- Grants (charity)		-	1,711,205	1,711,205	1,410,317
Activities for generating funds					
Trading income	6	115,026	-	115,026	-
Investment Income	3/17	18,527	-	18,527	19,963
Sundry Income generated from fees	3	56,104	-	56,104	74,994
TOTAL INCOMING RESOURCES	3	397,017	1,711,205	2,108,222	1,706,974
RESOURCES EXPENDED					
Charitable activities	5	560,054	1,839,967	2,400,021	1,985,175
Trading company costs	6	148,562	-	148,562	-
Governance	5	8,867	-	8,867	9,103
TOTAL RESOURCES EXPENDED		717,483	1,839,967	2,557,450	1,994,278
Net Incoming Resources before other recognised gains		(320,466)	(128,762)	(449,228)	(287,304)
TRANSFERS BETWEEN FUNDS		(30,701)	30,701	-	-
Reconciliation of funds					
Total funds brought forward	11	529,936	165,886	695,822	983,126
Total funds carried forward	11/12	178,769	67,825	246,594	695,822

All of the net (outgoing)/incoming resources are from continuing activities.

The company has no recognised gains or losses other than the above.

The notes on pages 20 to 28 form part of the financial statement

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2008**

	NOTES	UN- RESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL 2008	TOTAL 2007
		£	£	£	£
INCOMING RESOURCES					
Activities in furtherance of the charity's objects:					
- Voluntary Income	3	207,360	-	207,360	201,700
Incoming resources from charitable activities					
- Grants	3	-	1,711,205	1,711,205	1,410,317
Activities for generating funds					
Investment Income	15	18,527	-	18,527	19,963
Sundry Income generated from fees	3	56,104	-	56,104	74,994
TOTAL INCOMING RESOURCES		<u>281,991</u>	<u>1,711,205</u>	<u>1,993,196</u>	<u>1,706,974</u>
RESOURCES EXPENDED					
Charitable activities	5	560,054	1,839,967	2,400,021	1,985,175
Governance	5	8,867	-	8,867	9,103
TOTAL RESOURCES EXPENDED	5	<u>568,921</u>	<u>1,839,967</u>	<u>2,408,888</u>	<u>1,994,278</u>
Net Incoming Resources before other recognised gains		(286,930)	(128,762)	(415,692)	(287,304)
TRANSFERS BETWEEN FUNDS		(30,701)	30,701	-	-
Reconciliation of funds					
Total funds brought forward	11	<u>529,936</u>	<u>165,886</u>	<u>695,822</u>	<u>983,126</u>
Total funds carried forward		<u>212,305</u>	<u>67,825</u>	<u>280,130</u>	<u>695,822</u>

All of the net (outgoing)/incoming resources are from continuing activities.

The company has no recognised gains or losses other than the above.

The notes on pages 20 to 28 form part of the financial statement

**GROUNDWORK CAERPHILLY
CONSOLIDATED BALANCE SHEET AT 31 MARCH 2008**

	Notes	2008	2008	2007	2007
		£	£	£	£
FIXED ASSETS					
Tangible assets	6&8		18,782		32,669
CURRENT ASSETS					
Debtors	9	368,279		371,355	
Cash at bank and in hand		271,505		636,469	
		<u>639,784</u>		<u>1,007,824</u>	
CREDITORS					
Amounts falling due within one year	10	<u>411,972</u>		<u>344,671</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>227,812</u>		<u>695,822</u>
NET ASSETS			<u>246,594</u>		<u>695,822</u>
CAPITAL AND RESERVES					
Unrestricted funds:					
General funds	11		178,769		529,936
Restricted funds	11/12		<u>67,825</u>		<u>165,886</u>
	11/12		<u>246,594</u>		<u>695,822</u>
Total funds			<u>246,594</u>		<u>695,822</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Signed on behalf of the board of directors



Director B Davies

Approved by the board on 17 September 2008

The notes on pages 20 to 28 form part of the financial statement

**GROUNDWORK CAERPHILLY
CHARITY BALANCE SHEET AT 31 MARCH 2008**

	Notes	2008 £	2008 £	2007 £	2007 £
FIXED ASSETS					
Tangible assets	8		8,949		32,669
CURRENT ASSETS					
Debtors	9	449,384		371,355	
Cash at bank and in hand		270,413		636,469	
		<u>719,797</u>		<u>1,007,824</u>	
CREDITORS					
Amounts falling due within one year	10	<u>448,616</u>		<u>344,671</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>271,181</u>		<u>663,153</u>
NET ASSETS			<u>280,130</u>		<u>695,822</u>
CAPITAL AND RESERVES					
Unrestricted funds:					
General funds			212,305		529,936
Restricted funds	11/12		<u>67,825</u>		<u>165,886</u>
			<u>280,130</u>		<u>695,822</u>
Total funds			<u>280,130</u>		<u>695,822</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Signed on behalf of the board of directors



Director Mr B Davies

Approved by the board on 17 September 2008

The notes on pages 20 to 28 form part of the financial statement

**GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention. The accounts, incorporating a statement of financial activities have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), the Companies Act 1985 and follow the recommendations in the Statement of Recommended Practice (SORP) – "Accounting and Reporting by Charities" revised in 2005.

Fund Accounting

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

Restricted funds are funds subject to specific restrictive conditions imposed by the terms of the grant or funding body.

Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Incoming Resources

Income and grants are included in incoming resources when receivable, except as follows:-

- When donors specify that the grants must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the Charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- When donors specify that grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Allocation of Expenditure

Expenditure incurred by the charity in the year has been split between restricted and unrestricted funds. Costs have been analysed between direct charitable expenditure, fundraising and publicity and the administration and management of the charity. Expenditure relating directly to a cost category has been charged to that account. Expenditure, which includes more than one cost category, has been apportioned on a reasonable, justifiable and consistent basis to the categories involved. Committed expenditure that has yet to be invoiced is, in line with best accounting practice, not recognised in these accounts. It is intended that such expenditure will be funded by future income flows.

Liabilities Policy

Liabilities are recognised in the Financial Statements as they become payable.

Charitable Activities

This includes all expenditure directly related to the aims of the charity as follows:

- To promote the conservation, protection and improvement of the physical and natural environment.
- To provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living, working and visiting in the area.
- To advance public education in environmental matters and in the ways of better conserving, protecting and improving the environment.

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)

Governance Costs

These costs include the costs of governance arrangements, which relate to the general running of Groundwork Caerphilly as opposed to the direct management functions inherent in generating funds, service delivery and programme of project work. These include such items as external audit, legal advice for trustees and costs associated with constitutional and statutory requirements.

Resources Expended

Expenditure has been allocated to management and administration of the Trust, where it relates to the management of the Trust's assets, organisational administration and compliance with constitutional and statutory requirements.

Resources expended are recognised in the period in which they are incurred.

Tangible fixed assets

Fixed assets are capitalised at cost.

Depreciation is calculated so that the cost of tangible assets or valuation less any residual value is written off over their estimated useful lives on the following basis:-

Computers	33.33% On Cost
Motor Vehicles	20% On Cost
Office Equipment	20% On Cost
Plant and Machinery	20% On Cost

Capital Grants Received

Grants that relate to capital expenditure on specific projects are treated as restricted funds that are charged to the income and expenditure account at acquisition. This treatment is due the nature of the funding as the grants are received to provide equipment to specifically run the projects and services.

Hire Purchase Contracts and Finance Leases

Assets acquired under such agreements are recorded in the Balance Sheet at their fair value and as an obligation to pay future rentals at the inception of the contract. The total finance charge is not allocated to accounting periods during the lease term so as to produce a constant periodic rate of charge on the remaining balance sheet obligation, but on a straight line basis as, in the opinion of the Directors, this represents a reasonable approximation thereto. The capital element of future payments is treated as a liability and the interest element is charged to the Income and Expenditure Account.

Operating Lease Costs

The rentals under operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged against profit as incurred.

Pension Costs

The Trust contributes to employees' own personal Pension Schemes. This Pension cost charge represents contributions payable by the Trust to the individual schemes.

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)

2. STATUS

Groundwork Caerphilly is a company limited by guarantee, not having a share capital, exempt from the requirement to use the word 'limited' and is a registered charity. The liability of each member under the guarantee is limited to £1 (one pound).

3. TOTAL INCOMING RESOURCES

	2008	2007
	£	£
SPONSORSHIP FUNDING		
- National Assembly for Wales	163,500	158,700
- Caerphilly County Borough Council	43,860	43,000
	<u>207,360</u>	<u>201,700</u>
PROJECT INCOME		
Public Agencies and National Charities	215,168	151,909
Welsh Assembly	135,746	209,615
Local Authority	360,249	235,180
European Union	982,342	738,943
Private Sector	1,369	74,670
	<u>1,694,874</u>	<u>1,410,317</u>
Trading income – Community Furniture Initiative	44,368	-
Trading income – Kerbside	62,895	-
Trading income – WEEE	6,183	-
Trading income – Other	1,580	-
Other Income – VAT refund	17,000	-
Other income – trading	1,580	-
Other Income – charity	55,435	74,994
Interest received	18,527	19,963
	<u>205,988</u>	<u>94,957</u>
	<u><u>2,108,222</u></u>	<u><u>1,706,974</u></u>

4. NET INCOMING RESOURCES BEFORE TRANSFERS IS STATED AFTER CHARGING

	2008	2007
	£	£
Staff Costs (See Note 6)	1,091,716	937,483
Auditors Remuneration (See Note 6)	5,800	5,800
Depreciation – Owned Fixed Assets	14,221	33,369
Profit/(Loss) on disposal of Fixed Assets	9,501	(602)
	<u>1,121,242</u>	<u>1,016,050</u>

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)

5. RESOURCES EXPENDED:-

	Charitable Activities £	Governance Costs £	2008 Total £	2007 Total £
Direct Costs				
Staff Costs	737,845	-	737,845	649,740
Project costs	496,694	-	496,694	468,756
Project equipment hire	30,093	-	30,093	7,304
Tools and equipment	33,485	-	33,485	48,153
Materials	65,737	-	65,737	43,411
Contractors	29,078	-	29,078	22,548
Consultancy	222,193	-	222,193	83,347
Protective clothing	4,804	-	4,804	8,513
Training and recruitment	23,019	-	23,019	17,467
Project travel and transport	52,322	-	52,322	69,015
Project publicity	60,022	-	60,022	11,050
Support costs	70,653	-	70,653	62,295
Accommodation	22,525	-	22,525	22,750
Audit fees	-	5,800	5,800	5,800
Trustees Indemnity Insurance	-	3,067	3,067	3,306
	<u>1,848,470</u>	<u>8,867</u>	<u>1,857,337</u>	<u>1,523,455</u>
Support Costs				
Staff costs	353,871	-	353,871	287,743
Recruitment and training	14,071	-	14,071	6,413
Premises expenses	80,070	-	80,070	51,089
IT and equipment costs	16,128	-	16,128	24,575
Depreciation	14,221	-	14,221	33,369
Motor and travel expenses	5,100	-	5,100	10,081
(Profit)/Loss on disposal of fixed assets	9,501	-	9,501	(602)
Subscriptions and donations	2,806	-	2,806	1,855
Legal and professional	15,959	-	15,959	16,337
Postage and stationary	3,670	-	3,670	4,289
Communications	5,247	-	5,247	5,250
Promotion and advertisement	6,599	-	6,599	4,391
Insurance	7,611	-	7,611	4,992
Irrecoverable VAT	12,231	-	12,231	14,177
Sundry	4,466	-	4,466	6,864
	<u>551,551</u>	<u>-</u>	<u>551,551</u>	<u>470,823</u>
TOTAL	<u>2,400,021</u>	<u>8,867</u>	<u>2,408,888</u>	<u>1,994,278</u>

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)

6. TRADING SUBSIDIARY – G C ENTERPRISES (WALES) LIMITED

	2008
	£
Profit & Loss Account	
Turnover	113,446
Cost of Sales	<u>88,804</u>
Gross Profit	<u>24,642</u>
Administrative Expenses	(59,758)
Other operating income	<u>1,580</u>
Loss for the financial year	<u>(33,536)</u>
Balance Sheet	
Fixed Assets	9,833
Current Assets	65,955
Current Liabilities	<u>(109,224)</u>
Total Assets less current liabilities	<u>(33,436)</u>
Reserves	
Share Capital	100
Profit & Loss Reserve	<u>(33,536)</u>
	<u>(33,436)</u>

7. STAFF COSTS

	2008	2007
	Total	Total
	£	£
Wages	998,547	847,483
Social security	80,759	78,126
Staff pension	12,410	11,874
	<u>1,091,716</u>	<u>937,483</u>

No employee received emoluments of more than £60,000

The average number of employees, analysed by function was:-

	2008	2007
Direct project labour	47	38
Management and Administration of the Charity	<u>11</u>	<u>7</u>
	<u>58</u>	<u>45</u>

The directors were not paid or reimbursed for expenses during the year.

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)

8 TANGIBLE FIXED ASSETS (CHARITY ONLY)

	Plant and Machinery etc
	£
Cost	
At 1 st April 2007	249,560
Disposals	<u>(24,291)</u>
At 31 March 2008	<u>225,269</u>
Depreciation	
At 1 st April 2007	216,889
Eliminated on disposals	<u>(14,790)</u>
Charge for year	<u>14,221</u>
At 31 March 2008	<u>216,320</u>
Net Book values	
At 31 March 2008	<u>8,949</u>
At 31 March 2007	<u>32,669</u>

9. DEBTORS

	The Charity		The Group	
	2008	2007	2008	2007
	£	£	£	£
Amounts due within one year:				
Trade debtors	259,111	249,061	200,198	249,061
Other debtors	26,011	-	-	-
VAT	14,084	-	14,084	-
Prepayments	<u>150,178</u>	<u>122,294</u>	<u>153,997</u>	<u>122,294</u>
	<u>449,384</u>	<u>371,355</u>	<u>368,279</u>	<u>371,355</u>

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Charity		The Group	
	2008	2007	2008	2007
	£	£	£	£
Amounts due within one year:				
Trade creditors	272,427	223,511	234,896	223,511
Accruals	176,189	83,473	177,076	83,473
P.A.Y.E. and Social Security	-	24,215	-	24,215
VAT	-	13,472	-	13,472
	<u>448,616</u>	<u>344,671</u>	<u>411,972</u>	<u>344,671</u>

11. FUNDS - CONSOLIDATED

	Balance at 1 April 2007	Movement in The Year (after transfers)	Balance at 31 March 2008
	£	£	£
Unrestricted funds	529,936	(351,167)	178,769
Restricted funds	<u>165,886</u>	<u>(98,061)</u>	<u>67,825</u>
	<u>695,822</u>	<u>(449,228)</u>	<u>246,594</u>

12. Restricted Funds

	At 1 April 2007	Incoming Resources	Outgoing Resources	Transfers	At 31 March 2008
	£	£	£	£	£
Community Environmental Network & Sustainable Communities	3,868	687,321	708,716	(30,701)	13,174
Youth Environment	4,930	34,371	34,829	-	4,472
Community Spaces	76,163	823,865	883,151	-	16,877
Environmental Business Services	(3,415)	22,737	19,322	-	-
Social Enterprise	44,495	142,911	158,650	-	28,756
Project reserve	35,299	-	35,299	-	-
Marketing reserve	4,546	-	-	-	4,546
	<u>165,886</u>	<u>1,711,205</u>	<u>1,839,967</u>	<u>(30,701)</u>	<u>67,825</u>

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)

Community Environmental Network fund is to be used with the Charity's ongoing aim to encourage a community – leader approach regeneration and development.

Sustainable Communities - This project is ongoing and it is anticipated that incoming resources in future periods will eliminate the deficit relating to this fund.

Youth Environment fund relates to monies restricted to use on youth oriented projects/workshops.

Community Spaces fund relates to several specified geographical areas and regeneration programmes that are ongoing within the county.

Social Enterprise fund includes additional monies generated from the Community Furniture Enterprise Scheme, and these are to be utilised to finance staff and training posts for a longer period than first planned in the feasibility study.

Marketing Reserve relates to monies specifically to be utilised against future promotional and literature costs.

13. CAPITAL COMMITMENTS

At 31 March 2008 there were no capital commitments (2007 - Nil).

14. PENSION COSTS

The Trust contributes to employee's own personal pension schemes. The pension cost charge represents contributions paid by the Trust to the individual schemes and amounted to £12,411 (2007: £11,875).

15. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2008	2007
	£	£
Bank Interest Received	<u>18,527</u>	<u>19,963</u>

16. TAXATION

No provision has been made for taxation as the company was established for charitable purposes and as such will benefit from exemption relation to charities.

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008 (Continued)

17. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	General Fund £	Restricted Fund £	Total £
Tangible fixed assets	18,782	-	18,782
Net current assets	159,987	67,825	227,812
	<u>178,769</u>	<u>67,825</u>	<u>246,594</u>

18 RELATED PARTY TRANSACTIONS

During the year Groundwork Caerphilly made a loan to GC Enterprises (Wales) Limited of £26,000, a trading subsidiary of the organisation. Additionally, there was an aggregate balance owed to Groundwork Caerphilly of £31,396 at the year end (2007: £nil).

19. OPERATING LEASES

At 31st March 2008 the Charity was committed to making the following payments under non-cancellable operating leases in the year to 31st March 2009.

	2008 £	2007 £
Land and buildings:		
Fall due less than 1 year	-	-
Fall due within 2-5 years	-	-
Fall due more than 5 years-	<u>40,000</u>	<u>40,000</u>
	<u>40,000</u>	<u>40,000</u>
Plant and equipment:		
Fall due less than 1 year	-	-
Fall due within 2-5years	<u>3,627</u>	<u>3,627</u>
	<u>3,627</u>	<u>3,627</u>