

GREATER NOTTINGHAM
GROUNDWORK TRUST LIMITED
(a company limited by guarantee)

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 1999

B L Y T H E N S
Chartered Accountants
Nottingham



GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

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FOR THE YEAR ENDED 30TH APRIL 1999

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GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

COMPANY INFORMATION

REGISTERED CHARITY NUMBER

2556957

CHARITY REGISTRATION NUMBER

1003426

DIRECTORS

T.G. Richardson - Chairman
Councillor S. Doo
Councillor M. Hall
Councillor E. Higgins
N. Horsley
J. Houghton
Councillor M. Walton
S.J. Harrison
K. Stanyard
Councillor C. Preston

SECRETARY

Mrs. S. Clarson

REGISTERED OFFICE

35-37 St. Mary's Gate
Nottingham
NG1 1PU

AUDITORS

Blythens
Haydn House
309-329 Haydn Road
Sherwood
Nottingham
NG5 1HG

BANKERS

National Westminster Bank plc
Nottingham Smiths Branch
Nottingham

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITEDREPORT OF THE DIRECTORSFOR THE YEAR ENDED 31ST MARCH 1999

The above is registered as a company, limited by guarantee, having no share capital and was registered with the Charity Commission under its Memorandum and Articles of Association dated 12th November 1990.

The directors have pleasure in presenting their report, together with the audited financial statements of the company for the year ended 31st March 1999.

OBJECTS

To promote the conservation, protection, and improvement of the physical and natural environment anywhere in the area of benefit. To provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of them improving the conditions of life in the area of benefit. To advance public education in environmental matters.

DIRECTORS

The Board meets bi-monthly to oversee the projects programme, and other matters which may arise during the year.

The directors who served during the year were:-

T.G. Richardson - Chairman
Councillor S. Doo
Councillor M. Hall
Councillor E. Higgins
N. Horsley
J. Houghton
Councillor M. Walton
S.J. Harrison
K. Stanyard (appointed 17th March 1999)
Councillor C. Preston (appointed 17th March 1999)

DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- 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 company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITEDREPORT OF THE DIRECTORSFOR THE YEAR ENDED 31ST MARCH 1999VOLUNTARY HELP AND DONATIONS IN KIND

Projects benefit from donated materials and the provision of machinery. In addition, the directors recognise the significant contribution made by the trustees and other volunteers who give freely of their time. The financial statements do not incorporate any value attributed to these contributions as this is considered to be impracticable, but the directors anticipate that such information will be available in future years.

FINANCIAL REVIEW

During the year, project and core funding of £296,795 (1998 : £167,504) has been used towards project expenditure of £210,868 (1998 : £118,312), and surpluses of £28,519 (1998 : Deficit £13,874) have been retained. Fund balances are considered to be sufficient to meet future obligations.

YEAR 2000 ISSUES

The directors recognise the reliance of the business on its own computer systems as well as those of its customers and suppliers, and of the commercial risks of computer failure due to the impact of the Year 2000. The directors and members of senior management are working to identify such issues and the means to address them, and believe that the costs expected to be incurred in this respect are unlikely to be material to the company.

REVIEW OF DEVELOPMENTS

1998/99 has been a challenging year for Groundwork Greater Nottingham in a number of ways. The Trust has undergone a number of staffing changes resulting in the reduced capacity of the landscape team. However, the Trust has now appointed a Business Development Manager who is working to encourage greater private sector involvement in the Trust's activities.

Groundwork Greater Nottingham has undertaken a wide range of successful projects, developing new and maintaining existing areas of work. Although the landscape team has been at reduced capacity, the Trust is currently developing a wide range of environmental improvement projects. For example, Groundwork Greater Nottingham is working in partnership with the local SRB team in Newstead to develop a number of projects, tackling economic and environmental regeneration issues through landscape improvements and the setting up of a New Deal team in the area.

The Trust has secured a New Deal contract in the Greater Nottingham area which is being delivered by the "Bridge to work" initiative in partnership with Nottinghamshire County Council and Groundwork Ashfield & Mansfield. In addition, in partnership with Groundwork Ashfield & Mansfield, the Trust has successfully launched the Prince's Trust - Volunteers in the City, and the project will expand into Eastwood during 1999/2000.

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITEDREPORT OF THE DIRECTORSFOR THE YEAR ENDED 31ST MARCH 1999

Groundwork Greater Nottingham has continued to successfully develop its environmental education programme with the implementation of projects such as Farmlink, Greenlink and GreenIT. The Trust has also developed targeted area environmental education projects through initiatives such as Greening Gedling. This initiative has been undertaken in partnership with Gedling Borough Council with landfill tax funding from the Waste Management Company, Global Environmental.

The Green Connection Project (which targets multi-cultural communities in Greater Nottingham) has grown from strength to strength following the successful application to the National Lottery Charities Board. With the first year of the funding now complete, the Trust has a further two years to develop the project to the point of being sustainable.

The scale of the work programme is still small, but as the Trust overcomes its financial problems, so the size of the work programme will increase and the Trust's capacity to deliver larger projects will grow.

AUDITORS

The auditors, Blythens, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985 and a resolution for their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board



MRS. S. CLARSON

Secretary

19th January 2000

AUDITORS' REPORT TO THE MEMBERS OF
GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

We have audited the financial statements on pages 6 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on Page 2, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

BASIS OF OPINION

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

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

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 1999 and of its incoming resources and application of resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Haydn House,
309-329 Haydn Road,
Sherwood,
Nottingham.
NG5 1HG


B L Y T H E N S
Chartered Accountants

19th January 2000

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITEDSTATEMENT OF FINANCIAL ACTIVITIESFOR THE YEAR ENDED 31ST MARCH 1999

	Note	Unrestricted Funds £	Restricted Funds £	Totals 1999 £	Totals 1998 £
<u>INCOME AND EXPENDITURE</u>					
<u>INCOMING RESOURCES</u>					
Grant Income - Core Funding		25,500	-	25,500	42,498
Grant Income - Project Funding		-	271,295	271,295	125,006
Rental and other income		16,986	-	16,986	12,805
Donations and gifts		-	-	-	373
Investment income		1,507	-	1,507	2,652
<u>TOTAL INCOMING RESOURCES</u>	2	<u>£43,993</u>	<u>271,295</u>	<u>315,288</u>	<u>183,334</u>
<u>RESOURCES EXPENDED</u>					
<u>Direct Charitable Expenditure</u>					
Improving the enviroment		-	83,831	83,831	28,465
- Exceptional costs	13	-	(8,266)	(8,266)	-
Education and community		-	42,646	42,646	47,226
- Exceptional costs	13	-	(4,201)	(4,201)	-
Integration of environmental and economy		-	96,858	96,858	42,621
<u>Other Expenditure</u>					
Management and Administration of the Charity		43,993	31,908	75,901	78,896
<u>TOTAL RESOURCES EXPENDED</u>	3	<u>£ -</u>	<u>242,776</u>	<u>286,769</u>	<u>197,208</u>
<u>NET INCOMING/ (OUTGOING)</u>					
<u>RESOURCES BEFORE TRANSFERS</u>					
Carried forward	4	£ -	28,519	28,519	(13,874)

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITEDSTATEMENT OF FINANCIAL ACTIVITIESFOR THE YEAR ENDED 31ST MARCH 1999

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>1999</u> £	<u>1998</u> £
<u>NET INCOMING/(OUTGOING)</u> <u>RESOURCES BEFORE TRANSFERS</u>				
Brought forward	-	28,519	28,519	(13,874)
<u>TRANSFERS BETWEEN FUNDS</u>	28,519	(28,519)	-	-
<u>NET INCOMING/(OUTGOING)</u> <u>RESOURCES FOR THE YEAR</u>	28,519	-	28,519	(13,874)
<u>NET MOVEMENTS IN FUNDS</u>	28,519	-	28,519	(13,874)
<u>FUND BALANCES BROUGHT</u> <u>FORWARD AT 1.4.1998</u>	13,479	-	13,479	27,353
<u>FUND BALANCES CARRIED</u> <u>FORWARD AT 31.3.1999</u>	£41,998	-	41,998	13,479

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITEDBALANCE SHEET AS AT 31ST MARCH 1999

	<u>Note</u>	£	<u>1999</u>	£	£	<u>1998</u>	£
<u>FIXED ASSETS</u>							
Tangible assets	7		3,810			2,259	
<u>CURRENT ASSETS</u>							
Debtors	8	93,081		96,693			
Cash at bank and in hand		<u>72,586</u>		<u>8,529</u>			
		165,667		105,222			
<u>CREDITORS</u> : Amounts falling due within one year	9	(127,479)		(94,002)			
<u>NET CURRENT ASSETS</u>			<u>38,188</u>			<u>11,220</u>	
<u>NET ASSETS</u>			<u>£ 41,998</u>			<u>£ 13,479</u>	
<u>FUNDS:</u>							
Unrestricted funds			41,998			13,479	
Restricted funds			<u>-</u>			<u>-</u>	
<u>TOTAL FUNDS</u>	12		<u>£ 41,998</u>			<u>£ 13,479</u>	

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

N. HORSLEY

Director



19th January 2000

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH 19991. ACCOUNTING POLICIESBasis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements, incorporating a Statement of Financial Activities, have been prepared in accordance with the Statement of Recommended Practice (SORP) - Accounting by Charities and applicable Accounting Standards.

Format of accounts

Greater Nottingham Groundwork Trust Limited is Groundwork Greater Nottingham incorporated as Greater Nottingham Groundwork Trust Limited and is a company limited by guarantee. The guarantors are the Groundwork Foundation. The liability in respect of the guarantee, as set out in the memorandum, is limited to £1 per member of the company. The Trust has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act 1985 and adapted the Companies Act formats to reflect the special nature of the company's activities. As permitted by Section 226(4) of the Companies Act, information additional to that required by Schedule 4 of the Act has been shown in the financial statements to provide a true and fair view of the results for the year.

Fund accounting

General funds are available for use at the discretion of the directors in furtherance of the general objective of the Trust.

Restricted funds are funds subject to specific restrictive conditions imposed by funders or by the purpose of the grant. Any surplus made on restricted projects is available to transfer to unrestricted funds.

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

Resources arisingIncome

Income or grants received in advance are held in deferred income, and carried forward to future accounting periods to be released when the measurable stages of work have been completed, approved or certified. Any grants restricted to future accounting periods are deferred and recognised in those accounting periods.

Gifts in kind

Gifts in kind are not valued in the financial statements.

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH 1999Resources expended

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

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

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

Government grants

Grants that relate to specific capital expenditure are treated as deferred income and released to the credit of the income and expenditure account over the related asset's useful life.

Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets (less estimated residual value) in equal annual instalments over their useful lives as follows:

Computer equipment	33.3% - 50%
Fixtures and fittings	10% - 20%
Leasehold improvements	Nil (not depreciated until leasehold improvements are completed)

Leasing commitments

Operating lease rentals are charged to the profit and loss account

Pension contributions

The company contributes to the Nottinghamshire County Council Pension Scheme on behalf of the staff. These contributions are charged to the financial statements as they fall due.

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH 19992. TOTAL INCOMING RESOURCES

Total incoming resources can be analysed as being received from the following sources:

	<u>1999</u>	<u>1998</u>
	£	£
Central Government	134,757	116,351
Regional offices	-	-
Public agencies	-	24,311
Local Government	41,813	32,704
European Union	14,837	-
Private sector	105,388	2,263
Interest received	1,507	652
Rent received and other income	<u>16,986</u>	<u>7,053</u>
	<u>£315,288</u>	<u>£183,334</u>

3. TOTAL RESOURCES EXPENDED

	<u>Staff costs</u>	<u>Other direct costs</u>	<u>Other allocated costs</u>	<u>Total 1999</u>	<u>Total 1998</u>
	£	£	£	£	£
Improving the environment	31,006	42,094	2,465	75,565	28,465
Education and Community involvement	15,774	21,413	1,258	38,445	47,226
Integration of environment and economy	48,762	45,835	2,261	96,858	42,621
Management and administration of the charity	<u>37,520</u>	<u>56,832</u>	<u>(18,451)</u>	<u>75,901</u>	<u>78,896</u>
	<u>133,062</u>	<u>166,174</u>	<u>(12,467)</u>	<u>286,769</u>	<u>197,208</u>

Management and administration costs can be analysed as follows:

	<u>1999</u>	<u>1998</u>
	£	£
Salaries	37,520	42,802
Office costs	21,486	24,437
Insurance	3,531	2,802
Professional fees	9,000	4,115
Depreciation	1,922	2,347
Publicity and hospitality	991	831
Bank charges	176	237
Sundry expenses	<u>1,275</u>	<u>1,325</u>
	<u>£ 75,901</u>	<u>£ 78,896</u>

No grants are made to individuals.

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH 19994. NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS

	<u>1999</u> £	<u>1998</u> £
Net outgoing resources before transfers is after charging/crediting:		
Depreciation of owned assets	2,272	4,048
Release of capital grants	(350)	(1,701)
Auditors' remuneration	925	1,108
Operating lease payments		
- Leasehold property	8,000	10,000
Directors' remuneration	-	-
Trustees' remuneration	-	-
Trustees' expenses	233	250
	<u> </u>	<u> </u>

5. EMPLOYMENT COSTS

	<u>1999</u> £	<u>1998</u> £
Salaries	102,058	101,741
Social Security costs	5,762	8,005
Pension costs	4,242	4,040
Management charge	<u>21,000</u>	<u>-</u>
	<u>£133,062</u>	<u>£113,786</u>

The average number of persons (excluding non-executive directors) employed during the year was 7 (1998 : 7). All staff were employed in an administrative capacity.

Employees of the company are eligible for membership of the Nottinghamshire County Council Pension Scheme. The scheme is a defined benefit scheme; its assets are held in a separately administered fund. Contributions are made by employees at the rate of 6% of salary. The company's contributions are 125% of employee contributions. At 31st March 1999 £Nil (1998 : £Nil) was outstanding in relation to these transactions and the Income and Expenditure charge for the year was £4,242 (1998 : £4,040).

6. TAXATION

The company is a registered charity and as such is exempt from corporation tax.

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH 19997. FIXED ASSETS

	<u>Leasehold Improvements</u>	<u>Computer equipment</u>	<u>Office fixtures and fittings</u>	<u>Total</u>
	£	£	£	£
<u>COST</u>				
At 1st April 1998	-	22,165	16,366	38,531
Additions	3,693	-	130	3,823
At 31st March 1999	3,693	22,165	16,496	42,354
<u>DEPRECIATION</u>				
At 1st April 1998	-	20,773	15,499	36,272
Charge for the year	-	1,392	880	2,272
At 31st March 1999	-	22,165	16,379	38,544
<u>NET BOOK VALUE</u>				
At 31st March 1999	3,693	-	117	3,810
At 1st April 1998	-	1,392	867	2,259

All fixed assets are used for direct charitable purposes.

At 31st March 1999 the company had capital commitments which were authorised and contracted for amounting to £Nil (1998 : £Nil).

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH 19998. DEBTORS

	<u>1999</u>	<u>1998</u>
	£	£
Other debtors and prepayments	85,581	96,693
Accrued income	<u>7,500</u>	<u>-</u>
	£ 93,081	£ 96,693
	<u> </u>	<u> </u>

9. CREDITORS : Amounts falling due within one year

	<u>1999</u>	Restated <u>1998</u>
	£	£
Other creditors	51,980	42,989
Other tax and social security	10,620	25,816
Accruals and deferred income	<u>64,879</u>	<u>25,197</u>
	£127,479	94,002
	<u> </u>	<u> </u>

Corresponding amounts have been restated to ensure comparability.

10. OBLIGATIONS UNDER OPERATING LEASES

	<u>1999</u>	<u>1998</u>
	£	£
At 31st March 1999 the company had annual commitments under non-cancellable operating leases as follows:		
Expiring within one to two years	-	10,000
Expiring within two to five years	<u>6,000</u>	<u>-</u>

All of the above relates to leasehold property.

11. SHARE CAPITAL

The company is limited by guarantee with no share capital. The equity in the company is owned by the members each of whom has undertaken to contribute such amount not exceeding £1 as may be required under certain circumstances. At 31st March 1999 there were 6 members (1998 : 6).

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH 199912. ANALYSIS OF MOVEMENT OF FUNDS

	Balance 1.4.1998	Net Transfers incoming resources	between funds	Balance 31.3.1999
	£	£	£	£
Restricted funds	-	28,519	(28,519)	-
Unrestricted funds	13,479	-	28,519	41,998
	13,479	28,519	-	41,998

Incoming resources include amounts provided for running costs of the Trust. In the opinion of the directors this is appropriately disclosed as a transfer from restricted funds to cover the management and administration costs of the Trust, which are charged out on projects.

13. EXCEPTIONAL ITEMS

Direct charitable expenditure includes exceptional items which have arisen due to the successful appeal against a VAT assessment for overclaimed input tax in 1997.

14. RELATED PARTY TRANSACTIONS

During the year the Trust has written off amounts totalling £2,000 owed by Groundwork Environmental Services Limited and £9,000 owed to BEAM Services Limited, a joint venture.

15. CONTROL RELATIONSHIPS

There is no ultimate controlling party.