

**GREATER NOTTINGHAM
GROUNDWORK TRUST LIMITED**

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

31ST MARCH 1996

REGISTERED NUMBER: 2556957



GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

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GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Greater Nottingham Groundwork Trust Limited will be held at Browne Jacobson, 44 Castle Gate, Nottingham on 27th November 1996 for the following purposes:

- 1 To receive and approve the Directors' Report and Financial Statements for the year ended 31st March 1996 and the Auditors' Report thereon.
- 2 To re-appoint Smith Cooper & Partners, Chartered Accountants, as auditors of the Company, to hold office until the conclusion of the next Annual General Meeting.
- 3 To transact any other business.

BY ORDER OF THE BOARD



Mrs S Clarson
SECRETARY

Dated: 5th November 1996

CHAIRMAN'S STATEMENT

The last year has, in many ways, been the most challenging for the Trust since its formation in 1991. November marked the ending of the Sponsor's Agreement which underpins the relationship between the Trust and its Local Authority partners.

The early part of the year was taken up with conducting a thorough review and evaluation of the partnerships which have sustained the Trust over the last 5 years and of the programmes of work which have been achieved.

It was heartening to be able to look back on a diverse and meaningful range of projects built around the 3 principal strands of the Groundwork Approach:

- Physical environmental improvements
- Community involvement and education
- Integration of the economy and the environment.

The involvement of Groundwork had acted as a considerable catalyst to community action and commitment to the environmental agenda whilst the Trust's expertise in building constructive partnerships of mutual interest maximises the benefit and impact of public sector expenditure.

Sadly however changes in the Local Authority structure and continuing constraints in public expenditure were disincentives for certain partners to remain committed to the spirit of the agreement and both Rushcliffe Borough Council and Nottinghamshire County Council withdrew their sponsorship for 1996/97.

At the same time the Senior Management team of the Trust was faced with considerable change with the departure of both the Executive Director and the Finance Manager within a few weeks of one another. The remaining team were faced with the challenge of maintaining effective management control in the Trust, forging new relationships with the remaining partners and delivering a work programme with reduced resources. It was very reassuring for me to be able to promote from within the Trust's existing management, the replacement Executive Director.

I should like to pay tribute to the dedication and commitment of the staff team for largely achieving these objectives whilst taking a considerable step towards moving the Trust's trading activities back into profit. I should also like to thank my fellow directors and the Groundwork National Office for their support during some difficult negotiations.

CHAIRMAN'S STATEMENT - CONTINUED

Developments in the regional working of the Groundwork Network continue to open up new opportunities which will undoubtedly become increasingly important over the next few years. Groundwork Greater Nottingham will have a pivotal role in the East Midlands since the City also provides home to the regional office of the Government, the CBI, the Chamber of Commerce and the TEC.

For the first time the Trust made a successful bid to the European Regional Development Fund and, in partnership with City Challenge, delivered a programme of environmental improvements to run-down small businesses in Sneinton and St Anns with a view to sustaining the economic health of the businesses and retaining the employment.

As I now look to the future the Trust is faced with some new challenges and exciting opportunities. Groundwork continues to gain momentum as a national force and I look forward to the Trust working ever more closely with its partners in the East Midlands to develop larger regional strategic projects. As Nottingham City Council prepares to become the unitary authority responsible for a large part of the Trust's operational area we shall continue to invest in this relationship and develop and deliver a range of quality programmes.

There will be new opportunities for further funding from the European Union and from English Partnerships. We shall pursue these vigorously to sustain the Trust as a financially sound organisation and open the benefits of environmental action and commitment to an ever larger local audience.



T G RICHARDSON
Chairman of Board of Directors

Dated: 5th November 1996

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

COMPANY INFORMATION

DIRECTORS:

T G Richardson - Chairman
H Anderton (Appointed 20th September 1995)
R Blenkinship
J Booth (Resigned 31st May 1995)
J N Clarke (Resigned 31st May 1995)
B Crampin
Councillor W Golland
Councillor E Higgins
J Houghton
M Matthews (Resigned 20th March 1996)
P Morgan-Webb (Appointed 20th September 1995)
M Reece
Dr J Rieley (Resigned 22nd June 1995)
P Smith (Appointed 20th September 1995)
Councillor M Walton

SECRETARY:

Mrs S Clarson

REGISTERED OFFICE:

35 - 37 St Marys Gate
NOTTINGHAM
NG1 1PU

AUDITORS:

SMITH COOPER & PARTNERS
Chartered Accountants
Stanstead Lodge
19 Pelham Road
Sherwood Rise
NOTTINGHAM
NG5 1AP

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 1996

The Directors have pleasure in presenting their report, together with the financial statements of the Company for the year ended 31st March 1996.

DIRECTORS

The Directors who served during the year were:

T G Richardson - Chairman
H Anderton (Appointed 20th September 1995)
R Blenkinship
J Booth (Resigned 31st May 1995)
J N Clarke (Resigned 31st May 1995)
B Crampin
Councillor W Golland
Councillor E Higgins
J Houghton
M Matthews (Resigned 20th March 1996)
P Morgan-Webb (Appointed 20th September 1995)
M Reece
Dr J Rieley (Resigned 22nd June 1995)
P Smith (Appointed 20th September 1995)
Councillor M Walton

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 the 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 LIMITED

**REPORT OF THE DIRECTORS FOR THE YEAR
ENDED 31ST MARCH 1996**

Continued

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company is to promote the conservation, protection and improvement of the physical and natural environment in the area of the City of Nottingham and in the Districts of Gedling, Broxtowe and Rushcliffe. Funding is by Local Authorities, The Department of the Environment and the Private Sector. The Company is a registered charity (Charity Number: 1003426).

The deficit of income over expenditure after taxation for the year was £6,990 (1995: £22,945).

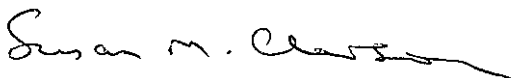
FIXED ASSETS

Details of movements in fixed assets during the year are shown in note 5 to the financial statements.

AUDITORS

The auditors, SMITH COOPER & PARTNERS, 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

Dated : 5th November 1996

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

We have audited the financial statements on pages 8 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 11.

Respective responsibilities of Directors and auditors

As described on page 5, 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.

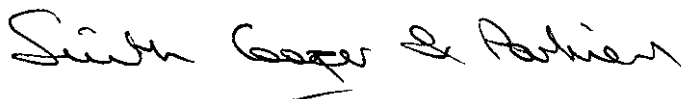
Basis of opinion

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 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 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



SMITH COOPER & PARTNERS
Chartered Accountants and Registered Auditors
NOTTINGHAM

Dated: 5th November 1996

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

**INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1996**

	Note	<u>1996</u> £	<u>1995</u> £
INCOME			
Project income		200,299	309,349
Project expenditure		(108,425)	(200,877)
		<hr/>	<hr/>
		91,874	108,472
 Department of the Environment		 39,998	 41,722
Public Sector		36,500	34,000
Private Sector (excluding contributions in kind £5,000 (1995: £5,000))		2,530	2,770
Bank interest		1,817	1,900
Rent received		4,680	1,560
Other income		492	1,906
		<hr/>	<hr/>
		177,891	192,330
 EXPENDITURE			
Administrative costs		(184,881)	(215,275)
		<hr/>	<hr/>
DEFICIT OF INCOME OVER EXPENDITURE BEFORE TAXATION	2	(6,990)	(22,945)
 Taxation	4	 -	 -
		<hr/>	<hr/>
DEFICIT OF INCOME OVER EXPENDITURE AFTER TAXATION TRANSFERRED FROM RESERVES		(6,990)	(22,945)
		<hr/>	<hr/>


There were no other recognised gains or losses and no acquired or discontinued activities in the above two financial years

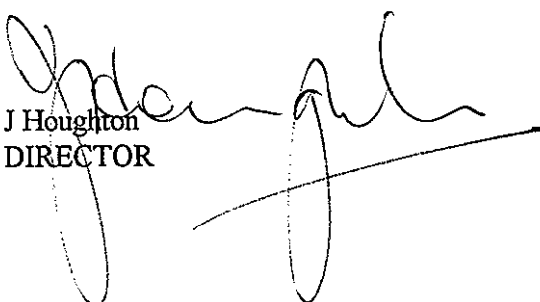
GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

BALANCE SHEET AT 31ST MARCH 1996

	Note	£	<u>1996</u> £	£	<u>1995</u> £
FIXED ASSETS					
Tangible assets	5		10,203		9,165
CURRENT ASSETS					
Debtors	6	118,029		153,183	
Cash at bank		39,198		61,299	
			<hr/>	<hr/>	
		157,227		214,482	
CREDITORS: Amounts falling due within one year	7	(104,335)		(153,562)	
			<hr/>	<hr/>	
NET CURRENT ASSETS			52,892		60,920
			<hr/>		<hr/>
			63,095		70,085
			<hr/>		<hr/>
REPRESENTED BY:					
Revenue reserve			63,095		70,085
			<hr/>		<hr/>
SHAREHOLDERS' FUNDS	12		63,095		70,085
			<hr/>		<hr/>

Approved by the Board and signed on its behalf by:


T G Richardson
DIRECTOR


J Houghton
DIRECTOR

Dated: 5th November 1996

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

**CASHFLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 1996**

	Note	<u>1996</u> £	<u>1995</u> £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	10	(18,170)	9,802
RETURNS ON INVESTMENTS			
Bank interest received		1,817	1,900
INVESTING ACTIVITIES			
Net payments to acquire tangible fixed assets		(5,748)	(1,391)
(DECREASE)/INCREASE IN BANK BALANCES	11	(22,101)	10,311

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1996

1 ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Income and expenditure

Income and expenditure are accounted for in the period to which they relate. Income represents grants received from the private sectors, and fees receivable in respect of projects undertaken. No value is attributed to contributions in kind.

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%.

Project accounting

Project costs and income are accounted for in the period in which the work is substantially complete. Income and costs for substantially complete contracts at the year end are recognised in full. Provision is made for foreseeable losses.

Capital grants

Grants received in respect of fixed assets are treated as deferred income and are released to the profit and loss account over the useful life of the asset against which they have been received.

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the hire purchase obligations is charged to the profit and loss account in equal instalments over the period of the contract.

Operating lease rentals are charged to the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1996

Continued

2 DEFICIT OF INCOME OVER EXPENDITURE BEFORE TAXATION

	<u>1996</u>	<u>1995</u>
	£	£
The deficit of income over expenditure before taxation is stated after charging/(crediting):		
Depreciation	7,508	5,380
Release of capital grants	(2,798)	(1,258)
Directors' remuneration	-	-
Auditors' remuneration	1,035	1,000
	<u> </u>	<u> </u>

3 EMPLOYMENT COSTS

	£	£
Salaries	113,730	145,673
Social Security costs	9,473	12,603
Pension costs	5,408	6,701
	<u> </u>	<u> </u>
	128,611	164,977
	<u> </u>	<u> </u>

The average number of persons (excluding non-executive Directors) employed during the year was 7 (1995: 10). 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 130% of employee contributions.

4 TAXATION

The Company is a registered charity and as such is exempt from Corporation Tax.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1996**

Continued

5 FIXED ASSETS

	<u>Computer equipment</u> £	<u>Office fixtures & fittings</u> £	<u>Total</u> £
Cost			
At 1st April 1995	11,893	15,992	27,885
Additions	8,546	-	8,546
	<hr/>	<hr/>	<hr/>
At 31st March 1996	20,439	15,992	36,431
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1st April 1995	7,098	11,622	18,720
Charge for the year	4,886	2,622	7,508
	<hr/>	<hr/>	<hr/>
At 31st March 1996	11,984	14,244	26,228
	<hr/>	<hr/>	<hr/>
Net book value			
At 31st March 1996	8,455	1,748	10,203
	<hr/>	<hr/>	<hr/>
At 1st April 1995	4,795	4,370	9,165
	<hr/>	<hr/>	<hr/>

At 31st March 1996 the Company had capital commitments which were authorised and contracted for amounting to £2,475 (1995: £5,258).

6 DEBTORS

	<u>1996</u> £	<u>1995</u> £
Income receivable	87,314	130,584
Work in progress	-	388
Other debtors	30,715	22,211
	<hr/>	<hr/>
	118,029	153,183
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1996**

Continued

7	CREDITORS - Amounts falling due within one year	<u>1996</u>	<u>1995</u>
		£	£
	Accruals	35,956	115,015
	Other creditors	63,306	35,634
	Deferred grant income	5,073	2,913
		<hr/>	<hr/>
		104,335	153,562
		<hr/>	<hr/>

8 OBLIGATIONS UNDER OPERATING LEASES

At 31st March 1996 the Company had annual commitments under non-cancellable operating leases as follows:

	£	£
Expiring within two to five years	10,000	10,000
	<hr/>	<hr/>

All of the above relates to leasehold property.

9 SHARE CAPITAL

The Company is limited by guarantee with no share capital. The equity interest 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 1996 there were 6 members.

10	NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	<u>1996</u>	<u>1995</u>
		£	£
	Deficit of income over expenditure before interest	(8,807)	(24,845)
	Depreciation net of capital grants released	4,710	4,122
	Decrease in debtors	35,154	121,049
	Decrease in creditors	(49,227)	(90,524)
		<hr/>	<hr/>
	NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(18,170)	9,802
		<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1996

Continued

11 CHANGES IN CASH AND CASH EQUIVALENTS

	<u>1996</u>	<u>1995</u>
	£	£
At 1st April 1995	61,299	50,988
Net cash (outflow)/inflow	(22,101)	10,311
	<hr/>	<hr/>
At 31st March 1996	39,198	61,299
	<hr/>	<hr/>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1996</u>	<u>1995</u>
	Revenue Reserve £	Revenue Reserve £
Opening shareholders' funds	70,085	93,030
Deficit of income over expenditure for the year	(6,990)	(22,945)
	<hr/>	<hr/>
Closing shareholders' funds	63,095	70,085
	<hr/>	<hr/>