

**GREATER NOTTINGHAM
GROUNDWORK TRUST LIMITED**
(A Company limited by guarantee)

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

31 MARCH 1998



REGISTERED NUMBER: 2556957
CHARITY REGISTRATION NUMBER: 1003426

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

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GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

COMPANY INFORMATION

DIRECTORS:

T G Richardson - Chairman
R Blenkinship (resigned 1 August 1997)
Councillor S Doo
Councillor M Hall
Councillor E Higgins
N Horsley
J Houghton
Councillor M Walton
S J Harrison (appointed 11 July 1997)

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 31 MARCH 1998

The Directors have pleasure in presenting their report, together with the audited financial statements of the Company for the year ended 31 March 1998.

DIRECTORS

The Directors who served during the year were:

T G Richardson - Chairman
R Blenkinship (resigned 1 August 1997)
Councillor S Doo
Councillor M Hall
Councillor E Higgins
N Horsley
J Houghton
Councillor M Walton
S J Harrison (appointed 11 July 1997)

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 31 MARCH 1998

PRINCIPAL ACTIVITY

The principal activity of the Company is to promote the conservation, protection and improvement of the physical and natural environment in the Greater Nottingham area.

REVIEW OF DEVELOPMENTS

1997/98 has been a challenge for Groundwork Greater Nottingham in a number of ways.

The Trust has seen many changes in its personnel and its project programme. This has been compounded by projects such as Pinfold Industrial Estate not going ahead after much development work, through no fault of the Trust. The Trust has now identified the deficiencies in its work programme and has put in place systems to redress this problem. However the effect of this has been to reduce the amount of fee earning work going on within the Trust in this financial year.

Groundwork Greater Nottingham has undertaken a wide range of successful projects and continued to develop new key areas for its work programme. The Trust has developed and delivered a series of projects tackling economic and environmental regeneration across Greater Nottingham. Projects include a Brightsite at Kingsthorpe View Drive, physical environmental improvement work to Nottinghamshire Wildlife Trust's new premises on the old Ragged School site, the creation of a playground on the Broxtowe Estate and a variety of community-based consultation and implementation projects.

Groundwork Greater Nottingham has continued to successfully develop its environmental education programme with the implementation of projects such as Farmlink, Greenlink and GreenIT. In addition the Trust has secured SRB funding to undertake environmental art activities e.g. the creation of Parish Maps with local schools.

Over the past year the Trust has built up its community/business projects profile, working with organisations such as the Royal Mail to deliver school ground improvement projects. In addition, the Trust has continued to undertake a portfolio of schools projects across the operational area.

One of the Trust's key successes has been the Green Connection project, (targeting multi-cultural communities in Greater Nottingham), which has gained additional strength with the success of a National Lottery Charities Board grant application, which has secured funding for the project for a further 3 years starting April 1998.

FIXED ASSETS

Details of movements in fixed assets during the year are shown in note 7 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 : 17 March 1999

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

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

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 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 31 March 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Smith Cooper & Partners

SMITH COOPER & PARTNERS
Chartered Accountants and Registered Auditors
Nottingham

Dated: 17 March 1999

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1998**

	<u>Notes</u>	Unrestricted Funds	Restricted Funds	Totals 1998	Totals 1997
		£	£	£	£
INCOME AND EXPENDITURE					
INCOMING RESOURCES					
Core funding		-	42,498	42,498	46,500
Project funding		-	125,006	125,006	305,171
Rental income		-	4,680	4,680	4,680
Donations and gifts		-	373	373	-
Investment income		-	2,652	2,652	1,310
Other income		-	8,125	8,125	313
		<hr/>	<hr/>	<hr/>	<hr/>
Total incoming resources	2	-	183,334	183,334	357,974
		<hr/>	<hr/>	<hr/>	<hr/>
RESOURCES EXPENDED					
Direct Charitable Expenditure:					
Improving the environment		-	28,465	28,465	80,193
Education and community involvement		-	47,226	47,226	40,740
Integration of environmental and economy		-	42,621	42,621	192,519
Other expenditure:					
Management and Administration of the Charity		-	78,896	78,896	80,264
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL RESOURCES EXPENDED	3	-	197,208	197,208	393,716
		<hr/>	<hr/>	<hr/>	<hr/>
NET OUTGOING RESOURCES BEFORE TRANSFERS					
(Carried forward)	4	-	(13,874)	(13,874)	(35,742)
		<hr/>	<hr/>	<hr/>	<hr/>

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1998
(Continued)**

	<u>Notes</u>	Unrestricted Funds	Restricted Funds	Totals 1998	Totals 1997
		£	£	£	£
NET OUTGOING RESOURCES BEFORE TRANSFERS (Brought forward)		-	(13,874)	(13,874)	(35,742)
		<hr/>	<hr/>	<hr/>	<hr/>
TRANSFERS BETWEEN FUNDS		(13,874)	13,874	-	-
NET OUTGOING RESOURCES FOR THE YEAR		(13,874)	-	(13,874)	(35,742)
		<hr/>	<hr/>	<hr/>	<hr/>
NET MOVEMENTS IN FUNDS		(13,874)	-	(13,874)	(35,742)
FUND BALANCES BROUGHT FORWARD AT 1 APRIL 1997		27,353	-	27,353	63,095
		<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES CARRIED FORWARD AT 31 MARCH 1998		13,479	-	13,479	27,353
		<hr/>	<hr/>	<hr/>	<hr/>


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

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

BALANCE SHEET AT 31 MARCH 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
		£	£
FIXED ASSETS			
Tangible assets	7	2,259	6,307
CURRENT ASSETS			
Debtors	8	96,693	76,523
Cash at bank		8,529	32,531
		<hr/>	<hr/>
		105,222	109,054
CREDITORS: Amounts falling due within one year	9	(94,002)	(88,008)
		<hr/>	<hr/>
NET CURRENT ASSETS		11,220	21,046
		<hr/>	<hr/>
		13,479	27,353
		<hr/>	<hr/>
FUNDS:			
Revenue reserve unrestricted funds:			
General funds		13,479	27,353
Restricted funds		-	-
		<hr/>	<hr/>
TOTAL FUNDS	12	13,479	27,353
		<hr/>	<hr/>

Approved by the Board and signed on its behalf by:


N HORSLEY
 Director

Dated: 17 March 1999

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

1 ACCOUNTING POLICIES

Basis 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.

Company status

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 and adapted the Companies Act formats to reflect the special nature of the Company's activities.

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 arising

Income

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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998 (Continued)

1 ACCOUNTING POLICIES - continued

Resources 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%.

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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998 (Continued)

2 TOTAL INCOMING RESOURCES

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

	<u>1998</u> £	<u>1997</u> £
Central Government	116,351	154,432
Regional offices	-	13,678
Public agencies	24,311	250
Local Government	32,704	86,503
European Union	-	79,243
Private sector	2,263	17,565
Interest received	652	1,310
Rent received	4,680	4,680
Other income	2,373	313
	<hr/>	<hr/>
	183,334	357,974
	<hr/>	<hr/>

3 TOTAL RESOURCES EXPENDED

	Staff costs £	Other direct costs £	Other allocated costs £	Total 1998 £	Total 1997 £
Improving the environment	11,885	10,972	5,608	28,465	80,193
Education and Community Involvement	19,942	17,876	9,408	47,226	40,740
Integration of environment and economy	12,201	24,664	5,756	42,621	192,519
Management and administration of the charity	58,123	41,545	(20,772)	78,896	80,264
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	102,151	95,057	-	197,208	393,716
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

No grants are made to individuals

4 NET OUTGOING RESOURCES BEFORE TRANSFERS

Net outgoing resources before transfers
is stated after charging/(crediting):

	<u>1998</u> £	<u>1997</u> £
Depreciation of owned assets	4,048	5,996
Release of capital grants	(1,701)	(3,023)
Directors' remuneration	-	-
Auditors' remuneration	1,108	1,070
Operating lease payments - Leasehold property	10,000	10,000
	<hr/>	<hr/>

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998 (continued)

5 EMPLOYMENT COSTS	<u>1998</u>	<u>1997</u>
	£	£
Salaries	101,741	104,400
Social Security costs	8,005	8,449
Pension costs	4,040	6,211
	<hr/>	<hr/>
	113,786	119,060
	<hr/>	<hr/>

The average number of persons (excluding non-executive Directors) employed during the year was 7 (1997: 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 31 March 1998 £Nil (1997: £3,218) was outstanding in relation to these transactions and the Income and Expenditure charge for the year was £4,040 (1997: £6,211).

6 TAXATION

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

7 FIXED ASSETS

	<u>Computer equipment</u>	<u>Office fixtures & fittings</u>	<u>Total</u>
	£	£	£
Cost			
At 1 April 1997	22,165	16,366	38,531
	<hr/>	<hr/>	<hr/>
At 31 March 1998	22,165	16,366	38,531
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 1997	17,283	14,941	32,224
Charge for the year	3,490	558	4,048
	<hr/>	<hr/>	<hr/>
At 31 March 1998	20,773	15,499	36,272
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 1998	1,392	867	2,259
	<hr/>	<hr/>	<hr/>
At 1 April 1997	4,882	1,425	6,307
	<hr/>	<hr/>	<hr/>

At 31 March 1998 the Company had capital commitments which were authorised and contracted for amounting to £Nil (1997: £Nil).

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998 (continued)

8	DEBTORS	<u>1998</u> £	<u>1997</u> £
	Income receivable	-	55,633
	Other debtors	96,693	20,890
		<hr/>	<hr/>
		96,693	76,523
		<hr/>	<hr/>
9	CREDITORS - Amounts falling due within one year		
	Accruals and creditors	52,136	69,580
	Other creditors	18,578	13,053
	Deferred capital grant	350	2,051
	Other tax and Social Security	22,938	3,324
		<hr/>	<hr/>
		94,002	88,008
		<hr/>	<hr/>
10	OBLIGATIONS UNDER OPERATING LEASES		
	At 31 March 1998 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	-	-
		<hr/>	<hr/>

All of the above relates to leasehold property.

11 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 31 March 1998 there were 6 members.

GREATER NOTTINGHAM GROUNDWORK TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998 (continued)

12 RECONCILIATION OF MOVEMENTS IN FUNDS

	<u>1998</u>	<u>1997</u>
	Revenue <u>Reserve</u> £	Revenue <u>Reserve</u> £
Opening funds	27,353	63,095
Deficit of income over expenditure for the year	(13,874)	(35,742)
	<hr/>	<hr/>
Closing funds	<u>13,479</u>	<u>27,353</u>

13 CASHFLOW STATEMENT

The financial statements do not include a cash flow statement because the Company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow Statements".

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

As all the Company's assets represent unrestricted funds, therefore no analysis of net assets between funds has been prepared.

15 RELATED PARTY TRANSACTIONS

In June 1997 the trust formed a joint venture with four other regional trusts called BEAM Services Limited. Except for the initial investment which was deemed worthless no other intercompany transactions have occurred. During the year BEAM Services Limited was liquidated and the trust recovered £2,000 for its original shares. These proceeds have been invested in the form of a loan to a new trading company, Groundwork Environment Services Limited subsequent to the year end.