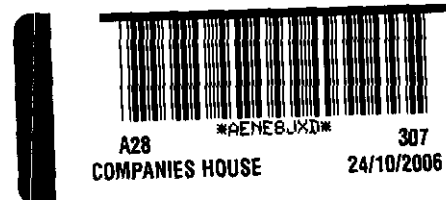


**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2006**



Bevan & Buckland  
Chartered Accountants  
and Registered Auditors  
S W A N S E A  
+++++

NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION

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**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION****REPORT OF THE BOARD OF DIRECTOR TRUSTEES  
for the year ended 31 March 2006**

The Board of Director Trustees presents its report and financial statements for the year ended 31<sup>st</sup> March 2006.

**REFERENCE AND ADMINISTRATION INFORMATION**

**Charity Name:** New Sandfields and Aberafan – Sustainable Regeneration  
**General Name:** New Sandfields Aberavon or (NSA)  
**Charity registration number:** 1088934  
**Company registration number:** 3674953  
**Registered Address:** The Community Development Centre  
Bevin Avenue  
Sandfields  
Port Talbot  
SA12 6JW

**Board of Director/Trustees:**

Gary Roberts	Chair	Jim Ryan	
David Davies	Vice-Chair and Treasurer	Leonard Lawrence	
Ted Cumming	Editor Making Waves Magazine	Jayne Thomas	(Appointed 22.11.05)
Cllr Pam Thomas		Maggs Deeney	(Appointed 22.11.05)
Cllr Colin Crowley		Derek Edwards	(Appointed 22.11.05)
Cllr John Sullivan	(Appointed 28.06.05)	David Birch	(Resigned 22.11.05)
Roger Itzstien		Alex Milnes	(Resigned 02.03.06)
Avril Harris		David Merryweather	(Resigned 02.03.06)

**Company Secretary /  
Chief Executive Officer** Ian David Isaac

**Auditors**

Bevan and Buckland  
Chartered Accountants  
Russell House  
Russell Street  
Swansea  
SA1 4HR

**Bankers**

Lloyds TSB  
115 Station Road  
Port Talbot  
SA13 1NR

**Solicitors**

John Collins & Partners LLP  
Venture Court  
Waterside Business Park  
Valley Way  
Enterprise Park  
Swansea SA6 8QP

**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION****REPORT OF THE BOARD OF DIRECTOR TRUSTEES  
for the year ended 31 March 2006****Structure, Governance and Management****Governing Document**

The organisation is a charitable company Limited by Guarantee, incorporated on the 27<sup>th</sup> November 1998. The company was established under a memorandum which established the objects and powers of the company and is governed under its Articles of Association. The Company became a charity pursuant to Special Resolutions passed at its Annual General Meeting held on the 27<sup>th</sup> June 2001 and written resolution dated 26<sup>th</sup> September 2001. Subsequent amendments widening the area of beneficiaries to include the Electoral ward of Aberavon and thereby a name change were adopted dated 29<sup>th</sup> September 2004 ratified with a written resolution on the 9<sup>th</sup> March 2005. In the event of the company being wound up the Director Trustees are required to contribute an amount not exceeding £10.

**Recruitment and Appointment of the Board of Director Trustees.**

The Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as Director Trustees and members of the Board. Under the requirements of the Memorandum and Articles of Association the members of the Board are elected at the AGM. The Board has adopted byelaws to allow free membership of the organisation and ensure that of the 15 permitted Director Trustees that 9 shall be residents (3 from each respective electoral ward in Sandfields and Aberavon). A Cllr from each of the 3 wards is nominated from the Council itself and 3 are appointed from Businesses in the area. Any vacancies within the Board is advertised prior to the AGM and appropriate nominations invited from the membership of the organisation or by way of introduction in the case of Business nominees.

The Board has appointed a paid Executive Director who shall carry out all Operations, Business Planning, Business Administration, Human Resource Management, Finance and Marketing of the Company's Community Regeneration mission:

*'To enhance the quality of life in Sandfields Aberavon and to raise the self esteem of residents so that the Community becomes empowered to identify and implement its own solutions'.*

In view of the significant growth (see main report) in terms of turnover, staff numbers and significant increase in programme and project delivery the above post will subject to identifying resources for strengthening the Business Administration Directorate, be re-designated as Chief Executive Officer as determined by the Board.

**Trustee Induction and Training**

All Trustees are familiar with the running of the organisation. They meet five times a year in scheduled Board meetings and set the Budget for the year and decide on the strategic direction of the company for the ensuing year. They have adopted a Business plan for the period 2003-2008 and are half way through this plan which has a key strategic intent of Community Employment and Learning schemes as a means to tackle social disadvantage in the Sandfields Aberavon area with a population of circa 20,000 adults.

**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION**

**REPORT OF THE BOARD OF DIRECTOR TRUSTEES  
for the year ended 31 March 2006**

**Structure, Governance and Management (Cont'd)**

**Trustee Induction and Training (Cont'd)**

Most Trustees have participated in a Charity Trustee Responsibilities training event which we bought in from the local Council for Voluntary Services.

Most trustees are also involved as defacto leads in Development sub groups organised by our Sandfields First team in the community.

Trustees are very familiar with the running of all aspects of the organisation by receiving the Executive Director's report and the Minutes of the Senior Management team on a monthly basis.

There are various leaflets directly presented to the Trustees explaining the work of the organisation "A Guide to your Community Regeneration organisation" and every issue of the community Regeneration Magazine called "Making Waves".

Charity Commission bulletins are always passed directly to Trustees for their perusal.

**Risk Management**

Policies are in place and procedures observed in respect of Health and Safety of our staff, volunteers, and customers at our premises which are:

1. The Community Development Centre, Bevin Avenue.
2. New Sandfields Aberavon Local Action Centre, Lido Princess Margaret way.
- 3-6. Units 18, 19, 11 and 4 Endeavour close Industrial Estate.
7. Unit 25, Addison Road, Port Talbot Business Park.
- 8-9. Demountables and Brick workshop at the STRIDES premises, St Hellier's Close, Sandfields.
10. Silver Court, Sandfields a block of 6 flats proposed for conversion to new Head Quarters purchased on the 30th March 2006.

All necessary policies for employing staff are in place and these are reviewed annually. Two or more policies are reviewed at each Board meeting.

**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION****REPORT OF THE BOARD OF DIRECTOR TRUSTEES  
for the year ended 31 March 2006****Structure, Governance and Management (Cont'd)****Organisational Structure**

New Sandfields Aberavon has a Board of Director Trustees which meets 5 times a year and are responsible for the Strategic direction and policy of the Charity. At the year end the Board has 13 Director Trustees and there are therefore two vacancies. The Trustees represent a number of residents and community interests as well as three Councillors and those with business and professional backgrounds. The Company Secretary also sits on the Board but has no voting rights.

As referred to above a scheme of delegation is in place and the day to day responsibility for the delivery of all programmes, projects and services rest with the Executive Director who also manages all Operations, Business Planning, Business Administration, Human Resource Management, Finance and Marketing of the Company's Community Regeneration mission.

The Management structure is described in a document referred to as the "*New Sandfields Aberavon and Sandfields First Regeneration - A Structure for the Implementation of the Sandfields Aberavon Neighbourhood Plan*"

This document explains in detail the Management structure that is in place to implement the Plan and to deliver the Organisations operations. In brief the organisation is managed by the Executive Director who manages three Directorates: Business Administration, Development Directorate and Operations Directorate. In the case of Development and Operations the departments are headed up by a Director. In the Case of the Business Administration Directorate this is headed up by a Business Manager who reports directly to the Executive Director.

**Related parties**

In so far as it is complementary to the charity's aims the Charity is guided by the Welsh Assembly Governments Communities First programme, its policies on Social Enterprise, Social Inclusion and Regeneration, Life Long Learning and skills and Innovation, enterprise and networking. The NPTCBC Community plan and related community strategies that may from time to time complement the Charity's objects.

We work in Partnership with a number of Organisations who have interest in or a base in Sandfields Aberavon and who support residents in all aspects of the quality of their lives.

**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION****REPORT OF THE BOARD OF DIRECTOR TRUSTEES  
for the year ended 31 March 2006****Objects and Activities**

The Company's objects and principle activities are:

- The promotion for the public benefit or urban or rural regeneration in areas of social and economic deprivation, and in particular, the electoral divisions currently known as Sandfields East, Sandfields West and Aberavon.
- The advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience.
- To relieve sickness and to preserve and protect good health.
- The relief of poverty.
- To provide recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities.
- The maintenance, improvement or provision of public amenities.
- The promotion of public safety and the prevention of crime.
- Such other means as may from time to time be determined subject to the prior written consent of the Charity Commissioners for England and Wales.

***Community Profile:***

Sandfields and Aberavon are communities within the Local Authority area of Neath Port Talbot. Sandfields consists of two electoral divisions; Sandfields East and Sandfields West whilst Aberavon has a single ward. Combined there is a total population of 19,559, (**Source:** Census 2001).

The wards of Sandfields East, West and Aberavon are highly ranked in the Welsh Index of Multiple Deprivation, (WIMD), 2005. The aim of the WIMD is to model levels of deprivation in Wales, to support policy development and the targeting of resources.

Sandfields East and Aberavon have been granted Neighbourhood Area Renewal (NRA) status. Its greatest impact being where there are strong linkages with other strategies or schemes designed to address poor health, employment and education or other factors leading to social exclusion such as those of Sandfields First, therefore, all non-housing elements of the NRA are incorporated into community development initiatives outlined from the Sandfields Aberavon Neighbourhood Plan.

**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION****REPORT OF THE BOARD OF DIRECTOR TRUSTEES  
for the year ended 31 March 2006****Objects and Activities (Cont'd)**

The objectives and activities for the year continued to be associated with building the capacity of the organisation and create the premises and assets to meet the needs of the community as articulated within the Sandfields Aberavon Neighbourhood plan published in June 2005. The strategies employed to assist the charity to meet these objectives included running and developing the following projects and programmes:

***New Sandfields Aberavon Local Action Centre, (LAC)***

The LAC provides training courses and houses outreach service for the local community such as Want 2 Work, Shaw Trust and Broker Cymru.

***PC Care***

A New Sandfields Aberavon ICT project focusing on ICT informal training, retail, technical advice and support and showcasing new technologies to local residents, organisations and businesses within Sandfields and Aberavon.

***New Sandfields Aberavon STRIDES***

Sandfields Training Resource Initiative for Developing Employment Skills. A project that encourages work based learning and gives the individual a choice of 5 courses (Hair and beauty, Plumbing, Painting and Decorating, Business Admin, Carpentry) tailored to meet the individual's needs. The courses are for anyone aged 16-60 who would benefit from extra training.

***Unit 18 - Community Maintenance Scheme***

A New Sandfields Aberavon Community Maintenance Project providing home and garden maintenance, DIY and Carpentry skills, manufacturing and small scale construction services to Voluntary organisations. It also provides informal training for local residents of Sandfields and Aberavon.

***Unit 19 Training***

A carpentry workshop run by NSA in partnership with the WEA to develop carpentry skills along with basic skills and life skills to those who engage with the project.

***YLAC***

A Youth Local Action Centre project based in Bevin Avenue, Sandfields that co-ordinates resources and services for young people of the deprived areas of Sandfields and Aberavon.

***Sandhopper***

NSA Directed staff time and resources to take the lead in applying for a Welsh Office Grant to provided a community transport scheme run by Neath Port Talbot Community Transport to combat barriers to become socially included. A number of residents and groups have benefited from this initiative by the NSA Development Directive.

***Making Waves***

A community magazine created and published by New Sandfields Aberavon which is distributed to 8,500 residents within Sandfields and Aberavon on a quarterly basis.



**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION**

**REPORT OF THE BOARD OF DIRECTOR TRUSTEES  
for the year ended 31 March 2006**

**Sandfields First** A communities first funded programme that aims to:

- involve local people involved in improving their areas and their own prospects;
- bring in funding and support from a range of sources to make things happen;
- make sure improvements last;
- encourage flexibility, risk-taking and new ways of dealing with problems;
- involve everyone working together to identify and do something about their community's problems.

The aims and objectives of NSA are, in all aspects comparable with the vision framework of Communities First. Each Communities First area should produce a Community Action Plan that sets out what their community wants and how that will be achieved. Every plan should cover themes identified by both the WAG and the community. In Sandfields and Aberavon the following themes are incorporated in the Sandfields Aberavon Neighborhood Plan 2005-15:

- Employment and Learning
- Health and Well Being
- Environment
- Community Safety
- Active Community
- Elderly
- Youth
- Transport
- Events
- CT

**Achievements and performance**

The main areas of charitable activity are the provision of Training, post 16 community education courses advice, information and support. Partnership working with youth providers, Workers Education Association, Neath Port Talbot New Learning Network, Sandfields Comprehensive School and many other agencies who are voluntary or statutory agencies who are working in the community.

NSA are the Grant Recipient Body for a number of funders. One example of this is the Communities first, the Welsh Assembly's social inclusion and anti poverty initiative. We have worked consistently since 2002 in the creation of a Communities first Partnership in Sandfields. The programme locally has become known as Sandfields First. The Co-ordinator of the Partnership was promoted to Development Director during 2005/06 as part of an integration initiative and the Community Development Officers were re-designated as Community Development Managers to reflect their role in implementing the Sandfields Aberavon Neighborhood plan. The creation of development sub groups to cover the main Communities first themes and those identified by the plan. Over 360 individuals, groups and organisations are joint members of the Partnership and NSA. Voting members are identified within the Partnership itself.

Key developments steered by Sandfields First include the following projects: STRIDES, YLAC, PC Care, Sandfields Aberavon, Volunteer Events (SAVE) and The Sandhooper scheme delivered by NPT Community Transport.

**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION****REPORT OF THE BOARD OF DIRECTOR TRUSTEES  
for the year ended 31 March 2006**

Progress was made in the following initiatives:

**NSA STRIDES.** Following a successful development project funded by a CF programme for a STRIDES Development manager to apply for funds and work up a significant complex application, an award of £800,000 was made from Objective One as part of a £1.2million project delivering easy access to vocational skills in Painting and Decorating, Hair and Beauty, Business Administration, Plumbing and Catering. A management team of 3 staff was recruited for the first phase of this project. Match funding of £402,000 was being finalised between Welsh Assembly departments.

**NSA Unit 19 Training.**

An on going Partnership with WEA resulted in 25 individuals being trained. A number of jobs supporting the community were also carried out. The outputs of this project include: DIY for 10 women, 18 pupils from Sandfields and St Josephs Comprehensive School's attending one day carpentry training, a wood carving club in the evenings for 17 members and up to 16 other training places for unemployed people from disadvantaged backgrounds.

**Unit 18 – Community Maintenance Scheme**

This unit was leased by the Board in preparation for a social Enterprise initiative carrying out small renovation and refurbishment jobs offering on the job training for beneficiaries.

**YLAC.**

This Youth Local Action Centre initiative is a concept to co-ordinate and maximise and pool resources in the Sandfields Aberavon area to benefit young people up to the age of 25. A grant was awarded by CF to employ a YLAC Development manager and a project leader to develop the project and apply to the Big Lottery reaching out programme for funds to achieve the YLAC vision. At the year end the project was on going with a decision on further funding pending June 2006.

**New Sandfields Aberavon – Local Action Centre.**

This project continued to build on the success of its first year. It is a partnership between NSA and the NPTNLN for delivering an ESF initiative. NSA's management of the project together with creating an open plan welcoming environment for residents in the area resulted in it being a prime location for the delivery of other agencies schemes such as Want2Work a ESF funded scheme by the department of employment and SHAW trust, a disability Employment Broker as well as Princes Trust and Broker Cymru. These organisations benefited from the informal referral of clients by the LAC Reception Desk and support worker during the year.

A number of trials of producing food and refreshments from the Lido kitchen were carried out involving NSA staff and an arrangement was agreed to run the Promenade bar pending an application to create a Café Bar in a leased area adjacent to the Lido. Output figures include: 278 new adult learners, 60 individuals progressed to paid employment. 20% of those accessing learning, advice and support were disabled, 7% were from Black and Ethnic backgrounds. In addition to learners over 400 people were engaged with job brokers such as Want2Work, Shaw Trust, Broker Cymru. Other users of the Centre included rehabilitation groups, friendly clubs and other organisations. The total number of users, staff and volunteers attending the centre on an average week amounted to over 500.

**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION**

**REPORT OF THE BOARD OF DIRECTOR TRUSTEES  
for the year ended 31 March 2006**

***Making Waves***

Three editions of making waves were published and distributed during the year and were delivered to 8,500 households in Sandfields East, West and Aberavon. The cost of production and distribution was partly paid for by the purchase of page space by organisations and was subsidised from NSA earned income.

**FINANCIAL REVIEW**

The total income of £1,027,107 ( 2005 -£670,445) was spent on direct charitable expenditure totaling £771,663 ( 2005 - £630,669) and governance costs of £9,825 ( 2005 - £9,619)

This has resulted in net incoming resources of £245,619 ( 2005 - £30,157)

**Principle funding sources**

The principle sources of funding for the charity has been to deliver employment training and Education support and advice. These have included:

<b>Project</b>	<b>Amount £</b>	<b>Source</b>
STRIDES	786,848	ERDF
	402,00	DELLS
	44,139	Obj1 NPT Keyfund
Sandfields 1st	317,449	Communities First
Unit 19	15,000	Construction Youth Trust (CYT)
	10,000	Community Regeneration Fund CRF
	10,000	Social Risk Fund via St Josephs Comp
Bevin Avenue	17,575	CRF
NSA LAC	30,400	(New Learning Network – NLN)

**Investment Policy**

The Board has decided that where cashflow conditions allow that a sum of £100,000 be invested in a Treasury Deposit account with our Bankers. A review of investment policy will take place ahead of the annual general meeting by the Board. A local deposit account has been closed in view of under use and limited returns. The company has an instant access savings account that has a small amount of cash in but has not been used for some time.

**Reserves policy**

The organisation has a policy to set aside an amount equivalent of six months running costs as reserves. The budgeted expenditure for 2006/07 is £1.2million. Therefore the reserves needed to meet the working capital requirements of the charity is estimated to be approximately £600,000. At this level the Board are confident that they would be able to continue with the current activities in the event of a significant drop in funding. This requirement will use unrestricted funds not committed or invested in tangible fixed assets. To date a sum in the region of £60,000 has been set aside for this purpose and £55,041 for the purpose of ensuring the company's obligations with respect to occupational pensions for staff. The present level of reserves falls significantly short of the target. Although the strategy is to continue to build reserves through non restricted income generation the Board is well aware that it is likely to take at least another 5 years before we reach the target for reserves. In the meantime the Board has a strategy to manage both restricted and unrestricted income with prudence and controls are in place to keep expenditure to a minimum and to agreed levels only. A policy is in place for finance regulations and for levels of authority to spend within the three Directorates.

**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION**

**REPORT OF THE BOARD OF DIRECTOR TRUSTEES  
for the year ended 31 March 2006**

**Plans for future periods**

The charity plans for the future by referring to its business plan and its main strategic intent which is to provide facilities and activities in the community meeting the employment and learning needs of people in the community of Sandfields Aberavon.

This is augmented by the adoption of the Sandfields Aberavon Neighbourhood plan and the commitment of NSA to implement the plan over the period 2005-15.

The charity will continue to work in partnership with statutory agencies and voluntary organisations and seek new partnerships to facilitate and deliver services in support of the needs of people in the community.

**Responsibilities of the Board of Director Trustees**

Company law requires that the Board prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements, the Board should follow best practice and:

Select suitable accounting policies and then apply them consistently; make judgments and estimates that are reasonable and prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

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

Members of the Board of Director Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

In accordance with company law, as the company's directors we certify that:

So far as we are aware there is no relevant audit information of which the company's auditors are unaware; and as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION**

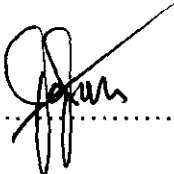
**REPORT OF THE BOARD OF DIRECTOR TRUSTEES  
for the year ended 31 March 2006**

**Auditors**

Bevan and Buckland Chartered Accountants were appointed as the Charity Company's auditors during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board of Director Trustees on 28<sup>th</sup> September 2006 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'Ian Isaac', is written over a horizontal dotted line.

Mr Ian Isaac  
Company Secretary

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS****OF  
NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION****(A COMPANY LIMITED BY GUARANTEE)**

We have audited the financial statements of New Sandfields and Aberafan Sustainable Regeneration for the period ended 31 March 2006 on pages 14 to 24 which have been prepared under the historical cost convention and accounting policies set out on pages 16 and 17.

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 that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone that the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As described on page 10 the Director Trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Director Trustees is consistent with the financial statements, if the charitable company 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 employees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Director Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to and other information.

**BASIS OF 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, in 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 Trustees in the 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 explanation 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 error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS

OF  
NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION

(A COMPANY LIMITED BY GUARANTEE)

**OPINION**

In our opinion the financial statements:

- Give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31<sup>st</sup> March 2006 and of its incoming resources for the year then ended: and
- Have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the report of the director trustees is consistent with the financial statements.

*Bevan & Buckland*

RUSSELL HOUSE  
31 RUSSELL STREET  
SWANSEA

BEVAN & BUCKLAND  
CHARTERED ACCOUNTANTS  
AND REGISTERED AUDITORS

DATE ..... 9/10/2006 .....

**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
for the year ended 31 March 2006**

	Notes	Designated Fund 2006 £	General Funds 2006 £	Restricted Funds 2006 £	Total Funds 2006 £	Total Funds 2005 £
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds:</b>						
Voluntary income:						
Donations		-	-	3,945	3,945	9,673
Investment income		-	125	-	125	-
<b>Incoming resources from Charitable activities:</b>						
	2	-	127,037	896,000	1,023,037	660,772
<b>TOTAL INCOMING RESOURCES</b>		-	127,162	899,945	1,027,107	670,445
		=====	=====	=====	=====	=====
<b>RESOURCES EXPENDED</b>						
Charitable Activities	3	-	56,742	714,921	771,663	630,669
Governance costs	3	-	9,825	-	9,825	9,619
<b>TOTAL RESOURCES EXPENDED</b>		-	66,567	714,921	781,488	640,288
<b>Net income/ (expenditure) for the year</b>						
		-	60,595	185,024	245,619	30,157
Transfer between funds		115,041	( 60,000)	( 55,041)	-	-
<b>Net movements in funds</b>		115,041	595	129,983	245,619	30,157
<b>Reconciliation of funds</b>						
Total funds brought forward		-	25,574	46,249	71,823	41,666
<b>Total funds carried forward</b>		115,041	26,169	176,232	317,442	71,823
		=====	=====	=====	=====	=====

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.



**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION**

**BALANCE SHEET  
as at 31 March 2006**

	Note	2006		2005	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		296,683		18,624
<b>CURRENT ASSETS</b>					
Debtors	9	112,469		48,973	
Cash at Bank and in Hand		<u>101,962</u>		<u>50,366</u>	
		214,431		99,339	
<b>Creditors: amounts falling due within one year</b>	10	<u>(193,672)</u>		<u>(46,140)</u>	
<b>NET CURRENT (LIABILITIES)/ ASSETS</b>			<u>20,759</u>		<u>53,199</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			317,442 =====		71,823 =====
<b>CAPITAL AND RESERVES</b>					
General Funds	11		26,169		25,574
Designated Funds	11		115,041		-
Restricted Funds	11		628		32,521
Restricted Capital Funds	11		<u>175,604</u>		<u>13,728</u>
			317,442 =====		71,823 =====

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board of Director Trustees on ..... 28<sup>th</sup> September ..... 2006 and signed on its behalf by:

..... G. Roberts .....  
DIRECTOR TRUSTEE

..... [Signature] .....  
DIRECTOR TRUSTEE

..... 6<sup>th</sup> October 2006 .....  
DATE

**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2006**

**ACCOUNTING POLICIES**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year.

**a. Basis of accounting**

The financial statements have been prepared under the historical cost convention and have been prepared in accordance with the Companies Act 1985 and the Statement of Recommended Practice: "Accounting and Reporting by Charities" issued in March 2005.

**b. Fund accounting**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are restricted funds earmarked by the Management Committee for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the grant provider.

**c. Incoming resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants and subscriptions and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Investment income is included when receivable.
- Incoming resources from charitable activities are accounted for when earned
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

**d. Resources expended**

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Cost of generating funds comprise the cost associated with attracting voluntary income.

**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION****NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2006****ACCOUNTING POLICIES (CONT'D)**

- Charitable expenditure comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

**e. Fixed assets**

Fixed assets are stated at cost less accumulated depreciation. The cost of minor additions or those below £1,000 are not capitalised. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Motor vehicles	25% Reducing Balance
Fixtures, fittings & equipment	25% Straight Line
Improvements to property	4% Straight Line
Leasehold property	4% Straight Line
Freehold property	2% Straight Line

**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2006**

**2. INCOMING RESOURCES FROM ACTIVITIES TO FURTHER CHARITY'S OBJECTS**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2006 Total</b>	<b>2005 Total</b>
NAW – Objective 1	-	200,353	200,353	-
NAW - "Dells"	-	71,638	71,638	-
Key Fund	-	28,171	28,171	-
CRF (Neath Port Talbot CBC)	-	27,574	27,574	28,279
WDA	-	-	-	20,000
Comic Relief	-	5,000	5,000	2,500
WCVA	-	4,810	4,810	5,511
NLN (ESF Claim)	-	57,086	57,086	65,705
NAW – Comm 1 <sup>st</sup>	-	238,112	238,112	329,020
NAW – Comm 1 <sup>st</sup> Capacity building	-	39,265	39,265	-
NAW – Comm 1 <sup>st</sup> YLAC	-	54,237	54,237	-
NAW – Comm 1 <sup>st</sup> Strides	-	7,634	7,634	-
Construction Youth Trust	-	10,000	10,000	-
Sandfields Comprehensive School	-	-	-	14,885
St Josephs School	-	-	-	3,900
REO Pupil incl	3,240	-	3,240	1,504
Big Lottery	-	58,292	58,292	29,593
New Opportunities fund	-	-	-	2,965
Awards for all	-	-	-	4,800
Home Front	-	7,300	7,300	-
Lloyds TSB Foundation	-	5,894	5,894	-
Function Hire & Incidental Charges	59,576	-	59,576	62,217
Sales Income	64,221	-	64,221	47,274
Management charges	-	80,634	80,634	42,619
	<u>127,037</u>	<u>896,000</u>	<u>1,023,037</u>	<u>660,772</u>
	=====	=====	=====	=====

**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2006**

<b>Cost Directly allocated to activities</b>		<b>Strides</b>	<b>LAC</b>	<b>Unit 19</b>	<b>PC Care</b>	<b>Eye line</b>	<b>Bevin Ave</b>	<b>Beach Fest</b>	<b>Comm 1<sup>st</sup></b>	<b>YLAC</b>	<b>Cap Build</b>	<b>Govern-ance</b>	<b>2006</b>	<b>2005</b>
<b>Staff costs</b>		35,655	52,057	15,978	-	-	14,549	-	176,793	34,275	24,454	-	353,761	284,614
<b>Premises</b>		-	5,936	18,940	-	-	4,731	-	22,924	5,228	-	-	57,759	53,313
<b>Purchases, Repairs &amp; Maintenance</b>		5,527	19,563	3,133	-	-	3,206	-	385	-	-	-	31,814	56,540
<b>Travelling and expenses</b>		1,341	380	1,010	-	175	151	-	1,068	124	-	-	4,249	4,261
<b>General admin expenses</b>		6,164	13,068	7,807	23,801	992	3,587	10,786	32,211	13,244	5,696	4,700	122,056	105,653
<b>Management charges</b>		30,000	11,515	6,060	2,640	-	4,146	-	26,273	-	-	-	80,634	42,619
<b>Depreciation</b>		6,383	101	-	57	-	68	-	-	53	-	-	6,662	3,137
<b>Support costs allocated to actives</b>														
<b>Wages &amp; salaries</b>		8,914	12,561	4,052	-	-	3,241	-	38,900	7,699	5,673	4,439	85,479	69,341
<b>Premises expenses</b>		-	192	634	-	-	154	-	769	173	-	-	1,922	1,819
<b>Travel</b>		353	92	242	-	-	35	-	254	30	-	-	1,006	680
<b>Depreciation</b>		1,077	1,517	490	-	-	391	-	4,699	930	685	-	9,789	6,308
<b>Other expenses</b>		1,407	3,095	1,829	5,628	33	845	2,533	5,800	3,095	1,406	686	26,357	12,003
		96,821	120,077	60,175	32,126	1,200	35,104	13,319	310,076	64,851	37,914	9,825	781,488	640,288

**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2006**

**4. NET INCOMING/ (OUTGOING) RESOURCES FOR THE YEAR**

This is stated after charging:	<b>2006</b>	<b>2005</b>
Depreciation – owned	8,008	6,308
Depreciation – restricted assets	8,443	3,137
Auditors Remuneration	3,700	3,631
Non Audit fee	5,000	2,488
Operating lease rental	5,258	5,258

**5. STAFF COSTS AND NUMBERS**

Staff costs are as follows:	<b>2006</b>	<b>2005</b>
	£	£
Salaries and wages	431,564	305,839
Social Security costs	38,056	27,200
Pension Costs	<u>( 30,380)</u>	<u>16,595</u>
Total	439,240	349,634
	=====	=====

No employee received emoluments of more that £60,000.

The average number of employees during the year, calculated on the basis of full time equivalents.

	<b>2006</b>	<b>2005</b>
	Number	Number
Executive Directors	1	1
Senior Managers	2	2
Project Managers	4	3
Community Development/Project Staff	14	11
Administration and support	<u>3</u>	<u>3</u>
Total	<u>24</u>	<u>20</u>

The charity operated a defined contribution pension scheme in respect of its employees. The scheme and its assets were held by independent managers. The pension charge represents contributions due from the company and amounts to £(30,380) (2005 - £16,595). No contributions were outstanding at the year end.

**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2006**

**6. TRUSTEES REMUNERATION & RELATED PARTY TRANSACTIONS**

No members of the management committee received any remuneration during the year.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2005 – nil).

During the year the charity's Executive Officer received an additional payment of £3,000 for providing services as Company Secretary.

**7. TAXATION**

As a charity, New Sandfields and Aberafan Sustainable Regeneration is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

**8. TANGIBLE FIXED ASSETS**

	Freehold Property	Leasehold Property	Improvement to Property £	Motor Vehicles £	Fixtures Fittings & £	Total £
<b>Cost</b>						
At 1 April 2005	-	-	-	1,081	37,438	38,519
Additions	<u>120,000</u>	<u>138,619</u>	<u>7,780</u>	<u>14,426</u>	<u>13,685</u>	<u>294,510</u>
At 31 March 2006	120,000 =====	138,619 =====	7,780 =====	15,507 =====	51,123 =====	333,029 =====
<b>Depreciation</b>						
At 1 April 2005	-	-	-	825	19,070	19,895
Charge for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,670</u>	<u>12,781</u>	<u>16,451</u>
At 31 March 2006	- =====	- =====	- =====	4,495 =====	31,851 =====	36,346 =====
<b>Net Book Value</b>						
At 31 March 2006	<u>120,000</u>	<u>138,619</u>	<u>7,780</u>	<u>11,012</u>	<u>19,272</u>	<u>296,683</u>
At 31 March 2005	- =====	- =====	- =====	256 =====	18,368 =====	18,624 =====

NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2006

9. DEBTORS

	2006 £	2005 £
Trade debtors	25,767	30,205
Prepayments and other debtors	<u>86,702</u>	<u>18,768</u>
	112,469	48,973
	=====	=====

10. CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR

	2006 £	2005 £
Bank loans & Overdraft	122,962	-
Corporation tax	-	54
Accruals and Other Creditors	<u>70,710</u>	<u>46,086</u>
	193,672	46,140
	=====	=====

11. FUNDS

	Designated Funds £	General Funds £	Restricted Funds £	Restricted Capital £	Total £
Opening funds	-	25,574	32,521	13,728	71,823
Net Movement of Funds	<u>115,041</u>	<u>595</u>	<u>(31,893)</u>	<u>161,876</u>	<u>245,619</u>
Balance at 31 March 2006	<u>115,041</u>	<u>26,169</u>	<u>628</u>	<u>175,604</u>	<u>317,442</u>
	=====	=====	=====	=====	=====

Designated funds represents:

	£
Pension provision	55,041
Six months running costs	<u>60,000</u>
	<u>115,041</u>
	=====



**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2006**

**11. FUNDS (CONT'D)**

**RESTRICTED FUNDS**

	<b>Opening Balance</b>	<b>Income</b>	<b>Outgoing</b>	<b>Closing Capital Fund</b>	<b>Closing Revenue Fund</b>
NAW – Objective 1	-	200,353	55,567	144,786	-
NAW – Dells	-	71,638	71,638	-	-
NAW – Comm 1 <sup>st</sup>	37,985	238,112	266,024	9,823	250
NAW – Comm 1 <sup>st</sup> Capacity Build	-	39,265	39,265	-	-
NAW – Comm 1 <sup>st</sup> YLAC	-	54,237	53,859	-	378
NAW – Comm 1 <sup>st</sup> Strides	-	7,634	7,634	-	-
Key Fund	-	28,171	9,021	19,150	-
CRF	-	27,574	27,574	-	-
Comic Relief	1,243	5,000	6,080	163	-
WCVA	3,945	4,810	8,432	323	-
NLN (ESF Claim)	-	57,086	57,086	-	-
Construction Youth Trust	-	10,000	10,000	-	-
Big Lottery	1,077	58,292	59,369	-	-
Awards for All	1,999	-	640	1,359	-
Home Front	-	7,300	7,300	-	-
Lloyds TSB Foundation	-	5,894	5,894	-	-
Pension Accrual Released	-	-	(55,041)	-	55,041
Donations	-	3,945	3,945	-	-
Management charges	-	80,634	80,634	-	-
	46,249	899,945	714,921	175,604	55,669
Transferred to Designated Reserve	-	-	-	-	(55,041)
	46,249	899,945	714,921	175,604	628
	=====	=====	=====	=====	=====

All capital restricted funds represent monies received for capital spend. The assets are included in the tangible fixed assets.

Revenue funds relate to minor under spends of revenue on projects during the year.

During the year a sum of £55,041 was released from restricted funds and designated as a pension provision for staff who may decide to join the scheme at a later date.

**NEW SANDFIELDS AND ABERAFAN  
SUSTAINABLE REGENERATION**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2006**

**12. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**Restricted Funds**

	<b>Tangible Fixed Assets</b>	<b>Net Current Assets</b>	<b>Total</b>
	£	£	£
NAW – Objective 1	144,786	-	144,786
Key fund	19,150	-	19,150
Comic Relief	163	-	163
WCVA	323	-	323
NLN – (ESF Claim)	-	-	-
NAW – Comm 1 <sup>st</sup>	9,823	250	10,073
NAW – Comm 1 <sup>st</sup> Capacity building	-	-	-
NAW – Comm 1 <sup>st</sup> YLAC	-	378	378
Awards for all	<u>1,359</u>	<u>-</u>	<u>1,359</u>
	175,604	628	176,232
General Fund	121,079	( 94,910)	26,169
Designated	<u>-</u>	<u>115,041</u>	<u>115,041</u>
	296,683	20,759	317,442
	=====	=====	=====

**13. OPERATING LEASE COMMITMENTS**

The following payments are committed to be paid within one year:

**Operating Leases**

	<b>Land &amp; Buildings</b>		<b>Other</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	£	£	£	£
Expiring:				
Within one year	-	-	374	-
Between 1 and 5 years	19,466	3,342	2,069	1,916
In more than 5 years	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	19,466	3,342	2,443	1,916
	=====	=====	=====	=====