

**Groundwork South Tees**  
**(A Company Limited by Guarantee)**

Financial Statements  
for the year ended 31 March 2007

"Registrar of Companies Copy"  
Company No 4150037



**ANDERSON BARROWCLIFF**  
**Chartered Accountants**

# **GROUNDWORK SOUTH TEES**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007**

<b>CONTENTS</b>	<b>PAGE</b>
Members of the board and professional advisers	1
Directors' annual report	2
Auditors' report	7
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11

# GROUNDWORK SOUTH TEES

## MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

### Directors

June Goodchild  
Michael Joseph Clarke  
Allan Geoffrey Barber  
Alan Sims (resigned 8 April 2007)  
Professor Graham Street  
Clive Malcolm Spencer  
Dr Mark Fishpool  
Councillor Walter Ferrier (resigned 22 June 2007)  
Councillor Robert Kerr (resigned 22 June 2007)  
Councillor Ann Higgins (resigned 9 June 2006)  
Councillor Valerie Halton (resigned 22 June 2007)  
Robert Iain Sim  
Edward Moss (resigned 9 February 2007)  
Marilyn Ethnie Wood  
Jeremy Alexander Garside  
Mavis Pickering  
Philip Trevor Hawkins  
Kevin McAuley  
Councillor John Robinson  
(appointed 9 June 2006, resigned 22 June 2007)  
Councillor Pervaz Khan (appointed 22 June 2007)  
Councillor Olwyn Peters (appointed 22 June 2007)  
Councillor Carole Simms (appointed 22 June 2007)  
Councillor Jeanette Walker (appointed 22 June 2007)

### Company secretary

A J Wentworth

### Registered office

Linthorpe Cemetery Lodge  
Burlam Road  
Middlesbrough  
TS5 5AP

Company registration number 4150037  
Registered charity number 1087917

### Auditors

Anderson Barrowcliff  
Waterloo House  
Teesdale South  
Thornaby on Tees  
TS17 6SA

### Bankers

The Royal Bank of Scotland plc  
22 Albert Road  
Middlesbrough  
TS1 1PR

### Solicitors

Jacksons Commercial & Private Law LLP  
Innovation House  
Yarm Road  
Stockton on Tees  
TS18 3TN

# **GROUNDWORK SOUTH TEES**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007**

The directors present their report and the financial statements of Groundwork South Tees for the year ended 31 March 2007

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The company is a registered charity and a company limited by guarantee and is governed by its Memorandum and Articles of Association. The company has no share capital and the guarantee of each member is limited to £1. The members are

The Federation of Groundwork Trusts  
Middlesbrough Council  
British Land  
Industry and Nature Conservation Association  
Middlesbrough Environment City  
Tees Valley Wildlife Trust  
Redcar and Cleveland Borough Council  
Coast and Country Housing

The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are collectively referred to as the directors

The Board comprises between six and nineteen directors. The Members of the company may nominate up to eleven directors to serve for a period of up to three years. The nominated directors and the Members nominating them may co-opt up to eight directors for a period of up to two years. The directors meet 6 times a year, including meetings at which the annual budget and five-year business plan are considered and approved.

There are two sub-groups, Finance and Personnel, with their own terms of reference and their reports are standing agenda items for the full Board meetings. The Chair of the Board and members of the sub-groups are appointed by the directors from among their number. The Board also appoints a director to work alongside the company's Health & Safety officer.

On appointment each director signs a declaration of suitability and completes a register of interests. They are given an information pack which includes the Memorandum and Articles of Association, the Board terms of reference and director's job description, the finance regulations and organisation charts of the staff and sub-group structure. It contains copies of the Partnership and Sponsors' Agreements between the company, Groundwork UK, and Middlesbrough and Redcar & Cleveland Borough Councils. Governance seminars are held every two years and all directors are requested to attend.

The directors have delegated management of the company to the Executive Director, Mr Chris Watson, who reports on performance against the business plan. The Finance Sub-group and the Board receive quarterly management accounts and the Treasurer, who is Chair of the Sub-group, reports to the Board on the financial position, reserves policy and finance regulations. The Personnel Sub-group, advised by the Executive Director, is responsible for recruitment within the organisation structure approved by the Board and has responsibility for personnel policies and procedures.

Each local authority area has a dedicated development manager supported by project, education and youth officers. The Landscape Design team provides services to both areas.

The company is part of the Federation of Groundwork Trusts in England, Wales and Northern Ireland (Groundwork UK) which provides strategic direction and support to Trusts from its national and regional offices. The company works closely with its member and other organisations in the public, private and voluntary sectors to deliver its charitable objectives.

# **GROUNDWORK SOUTH TEES**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007**

### *Risk review*

The company has a risk management strategy which comprises

- An annual review by the directors of the risks the company might face,
- The establishment and maintenance of systems and procedures to mitigate those risks which the directors identify as significant,
- The implementation of procedures designed to minimise the impact on the company should those risks materialise

The most significant risk to the company is considered to be dependency on a limited number of sources of income, with associated factors including competition for funds and our relationships with funders. A strategic review of the funding base is carried out every three years, the next review will take place during 2008

### **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 at the end of the year and of the surplus or deficiency for the year then ended

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 11, and then apply them on a consistent basis, making judgments and estimates that are prudent and reasonable. The directors must prepare the accounts on a 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. The directors 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

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

### **OBJECTIVES AND ACTIVITIES**

The company's objects, as defined in the Memorandum of Association, are

- a) to promote the conservation, protection and improvement of the physical and natural environment in the borough of Middlesbrough, the borough of Redcar and Cleveland and the borough of Stockton-on-Tees (the "Area of Benefit"),
- b) to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting to the Area of Benefit,
- c) to advance public education in environmental matters and other ways of better conserving, protecting and improving the same wheresoever,
- d) to promote, for the public benefit, urban and rural regeneration in areas of social and economic deprivation in the Area of Benefit, by means which are set out in detail in the Memorandum

# GROUNDWORK SOUTH TEES

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007

The Memorandum was changed during the year to include the borough of Stockton-on-Tees in the Area of Benefit and to include the promotion of regeneration

The main objectives for the year, as set out in the business plan, were

- to deliver projects worth £2.05m in Middlesbrough and Redcar & Cleveland,
- to enter into a formal partnership agreement with a Registered Social Landlord,
- to agree a plan for delivering projects in Stockton-on-Tees

The company's projects fall into three main activity areas: improvement of land, education, and youth

### *Improvement of land*

The company provides landscape design and contract management for physical environmental improvements to parks, play areas, school grounds, housing estates, industrial estates and other open spaces in areas in need of investment and support. The local communities, schools and businesses, as appropriate, are involved at all stages of our projects to ensure that the improvements are sustainable and meet local needs. Where possible, the work is carried out by local companies and arrangements are made for the contractor to provide appropriate training and employment opportunities for local people.

### *Education*

The environmental education programme in Redcar & Cleveland schools (Eco Schools), links with the Sustainable Development element of the National Curriculum. NRF funding for the project is fixed for two years 2006-2008 at £80,000 per year. The Greenstart project is a regional initiative which has recently been confirmed for a third year, 2007/08, bringing an environmental dimension to the Sure Start programme in Middlesbrough and Redcar & Cleveland.

### *Youth*

The company made a successful application to the Big Lottery Fund for funding for a youth worker who started work in April 2006 in Middlesbrough, adding an environmental element to the work of existing youth programmes in the area. Activities have included

- a training day for other youth workers,
- 2 day residential environmental awareness courses for young people in the North York Moors National Park,
- gardening and allotment projects involving schools and ethnic minorities, promoting physical activity and healthy eating

The Education and Youth programmes are relatively small in financial terms and therefore are not evaluated as separate activities in these financial statements.

## ACHIEVEMENTS AND PERFORMANCE

The company delivered projects worth £1.9m during the year. This was less than planned, in part because the Redcar & Cleveland business sites enhancement programme did not attract funding. However, our achievements against the National Performance Measures defined for Groundwork UK by the Office of the Deputy Prime Minister were as follows:

- Improved 750,000 square metres of land (target 150,000),
- Involved local children and adults in 6,318 person days of project work (target 2,000),
- Delivered 601 on-site training weeks for unemployed local people (target 250),
- Worked with 170 businesses (target 25)

# GROUNDWORK SOUTH TEES

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007

During the year the company entered into an agreement with Coast & Country Housing (CCH) to deliver a Neighbourhood Blueprint Programme over two years, 2006-08, for the physical environmental regeneration of four housing neighbourhoods. An additional landscape architect has been employed and design work is progressing well.

In order to achieve Groundwork UK's objective of linking all Local Authorities with a nearby Groundwork Trust, the company has agreed arrangements for working with Stockton-on-Tees Borough Council on a full cost recovery basis.

In May 2007 the company was registered under the Institute of Environmental Management and Assessment Acorn Scheme as successfully achieving phases 1, 2 and 3 of British Standard 8555 2003 Environmental Management Systems, for environmental consulting, landscaping and community project work including employment, training and education programmes. This was the result of fifteen months work involving all staff, led by the "Green Team", to define an environmental policy, set standards to minimise consumption of resources and bring environmental considerations into purchasing, energy use, transport and waste disposal arrangements. These environmental standards will be reviewed and improved, in all aspects of the company's operations, on an ongoing basis.

Following a third BETA+ quality assessment the company has been awarded the commitment marque towards Investors in Excellence.

## FINANCIAL REVIEW

The operating surplus for the year amounted to £24,219 (2006 £21,568) and free reserves rose from £207,662 to £255,923.

The company receives core funding from its three sponsors: the Department of Communities and Local Government (DCLG), Middlesbrough Council, and Redcar & Cleveland Borough Council. During the year the sponsor's agreement with Middlesbrough Council was renewed for a further three years. Renewal of the sponsor's agreement with Redcar & Cleveland Borough Council will be negotiated in the current financial year.

Following a review by the DCLG, Groundwork UK has revised the criteria for distribution of central government funding to Trusts. The new formula is based two thirds on local need, according to Indices of Multiple Deprivation, and one third on the company's performance. It will be phased in over three years from April 2007 and will be significantly lower than the funding received in previous years. The company is therefore targeting future developments at revenue-based projects which will contribute to central overhead costs.

Funding for projects is also received from the Single Programme, Neighbourhood Renewal Fund (NRF) and a variety of other private and charitable sources.

### *Reserves policy*

The policy of the directors is to build up the free reserves of the company, which are the unrestricted funds less the amount retained in fixed assets, to enable the activities of the company to continue effectively for a period of six months in the event of a significant drop in funding. The target is £351,000 and the actual free reserves at 31 March 2007 were £255,923.

## FUTURE PLANS

The objectives for the current financial year, as set out in the business plan, are to deliver projects worth £2.4m across the Area of Benefit. This figure will include the capital value of projects managed for Coast & Country Housing. Key areas for development in Middlesbrough are:

# **GROUNDWORK SOUTH TEES**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007**

- to build a partnership with Stronger Together in East Middlesbrough (STEM), with funding from Safer and Stronger Communities, consulting on and delivering their physical improvement projects,
- to deliver the Grow Zones element of the Design of the Times (DOTT07) initiative and use this as a platform to encourage further growing of produce

The objectives for the Redcar & Cleveland development team include the expansion of the existing land, communities and education programmes with particular emphasis on

- development of health related projects promoting physical activity and healthy eating,
- waste awareness initiatives, working initially with schools

## **GRANT MAKING**

Details of the grant making funds administered by the company are set out in note 4 to the financial statements

## **AUDITORS**

A resolution to reappoint Anderson Barrowcliff as auditors for the coming year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

## **SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Approved by the Board and signed on behalf of the directors

  
Professor Graham Street

Date 10 August 2007



# **GROUNDWORK SOUTH TEES**

**(A Company Limited by Guarantee)**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK SOUTH TEES**

We have audited the financial statements of Groundwork South Tees for the year ended 31 March 2007 which comprise the Statement of Financial Activities, Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

This report is made solely to the charity'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 charity's members those matters 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 other than the charity and the charity'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 in the Statement of Directors' Responsibilities the trustees (who are also the directors of Groundwork South Tees for the purposes of company law) are responsible for the preparation of the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' Annual Report is consistent with the financial statements. We also report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions is not disclosed.

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

### **Basis of audit opinion**

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

We planned and performed our audit so as to obtain all 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

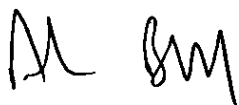
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities of the state of the charity's affairs as at 31 March 2007, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended,

# GROUNDWORK SOUTH TEES

(A Company Limited by Guarantee)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK SOUTH TEES

- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



Anderson Barrowcliff  
Registered Auditor  
Chartered Accountants  
Waterloo House  
Teesdale South  
Thornaby Place  
Thornaby on Tees  
TS17 6SA

Dated 20 August 2007

# GROUNDWORK SOUTH TEES

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2007

	Note	Unrestricted funds £	Restricted funds £	Total funds 2007 £	Total funds 2006 £
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	2	114,000	-	114,000	116,452
Bank interest		33,466	-	33,466	57,369
Incoming resources from charitable activities	3	676	1,866,176	1,866,852	2,255,605
<b>Total incoming resources</b>		<u>148,142</u>	<u>1,866,176</u>	<u>2,014,318</u>	<u>2,429,426</u>
<b>Resources expended</b>					
Charitable activities	4	102,238	1,866,176	1,968,414	2,388,028
Governance costs	5	21,685	-	21,685	19,830
<b>Total resources expended</b>		<u>123,923</u>	<u>1,866,176</u>	<u>1,990,099</u>	<u>2,407,858</u>
<b>Net income/(expenditure) for the year</b>		24,219	-	24,219	21,568
<b>Total funds brought forward</b>		<u>325,096</u>	<u>-</u>	<u>325,096</u>	<u>303,528</u>
<b>Total funds carried forward</b>		<u>349,315</u>	<u>-</u>	<u>349,315</u>	<u>325,096</u>

The notes on pages 11 to 16 form part of these financial statements

# GROUNDWORK SOUTH TEES

## BALANCE SHEET AT 31 MARCH 2007

	Note	£	2007 £	£	2006 £
<b>FIXED ASSETS</b>					
Tangible assets	8		93,392		117,434
<b>CURRENT ASSETS</b>					
Debtors	9	389,428		525,968	
Cash at bank and in hand		541,644		1,132,066	
		931,072		1,658,036	
<b>CREDITORS</b>					
Amounts falling due within one year	10	(675,149)		(1,450,372)	
<b>NET CURRENT ASSETS</b>			255,923		207,662
<b>NET ASSETS</b>			349,315		325,096
<b>FUNDS</b>					
Unrestricted funds			349,315		325,096
Restricted funds	12		-		-
			349,315		325,096

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These financial statements were approved by the Board on 10 August 2007

Signed on behalf of the directors

  
Professor Graham Street

  
Dr Mark Fishpool

The notes on pages 11 to 16 form part of these financial statements

# **GROUNDWORK SOUTH TEES**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007**

### **1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historic cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), the Companies Act 1985 and the recommendations in Accounting and Reporting by Charities Statement of Recommended Practice issued in March 2005

#### **Fund accounting**

Unrestricted funds are available to the Trustees to apply for the general purposes of the charity as set out in the Memorandum of Association

Restricted funds are subject to specific conditions imposed by the donors within the wider objects of the charity

#### **Incoming resources**

Core funding is in the form of grants which are credited to income in the accounting period to which they relate. Any unspent balances are carried forward on the appropriate fund.

Donated facilities are included at the value to the company, as described in note 2.

Project grants received are included in creditors in the financial statements and released to the Statement of Financial Activities over the life of the project, according to the state of completion of the project at any one time.

No incoming resources have been included net of expenditure.

Expenditure in each category includes any related VAT which cannot be recovered.

#### **Resources expended**

Costs of generating voluntary income are not separately identified as the directors consider that these are minimal and inseparable from general management, administration and finance expenditure which is included in support costs in the financial statements.

Grants payable are recognised in the income and expenditure account when the grants are awarded.

Project expenditure includes staff and other costs directly attributable to charitable activities.

Support costs include central overheads (management and office salaries, office, communications and other costs) identifiable, on the basis of staff time, as integral to charitable activities.

Governance costs include expenditure associated with meeting constitutional and statutory requirements and a proportion of central overheads, allocated on the basis of staff time.

#### **Fixed assets and depreciation**

Fixed assets are stated at cost less accumulated depreciation. Assets costing less than £1,000 are not capitalised.

Depreciation is calculated to write off the cost of tangible fixed assets, less their estimated residual value, over their expected useful lives using the following rates:

Leasehold property and improvements	- over the remaining unexpired term of the lease
Furniture and equipment	- 15% or 20% straight line
Computer equipment	- over three years

# GROUNDWORK SOUTH TEES

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

### Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred

### Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company.

## 2. VOLUNTARY INCOME

	2007	2006
	£	£
Donations	-	2,452
Grants for core funding	102,000	102,000
Donated facilities	12,000	12,000
	<u>114,000</u>	<u>116,452</u>

The company's offices at Linthorpe Cemetery Lodge are occupied under a twelve year rent free lease from Middlesbrough Council. The valuation of £12,000 per annum is based on the open market value of similar properties.

## 3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2007	2006
	£	£
Received from		
Central government	192,000	238,000
Public agencies	48,500	22,598
Local authorities	1,241,084	1,488,994
European Union	-	274,893
Private sector	385,268	231,120
	<u>1,866,852</u>	<u>2,255,605</u>

## 4 EXPENDITURE ON CHARITABLE ACTIVITIES

	2007	2006
	£	£
Grants payable	141,836	82,006
Project expenditure	1,596,081	2,071,401
Support costs	230,497	234,621
	<u>1,968,414</u>	<u>2,388,028</u>
Support costs		
Staff costs	120,449	119,379
General office costs	86,635	93,389
Depreciation	23,413	21,853
	<u>230,497</u>	<u>234,621</u>

# GROUNDWORK SOUTH TEES

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

### 4 EXPENDITURE ON CHARITABLE ACTIVITIES

#### Grants payable

Middlesbrough Environmental Community Chest is a fund for small-scale environmental projects, with a maximum value of £5,000, taking place within the Neighbourhood Renewal wards of Middlesbrough and/or benefiting residents of these wards. The total value of grants awarded was £21,526.

Redcar & Cleveland Community Enhancement Forum grants are for small-scale environmental projects, with a maximum value of £5,000, taking place within the Neighbourhood Renewal wards of Redcar & Cleveland and/or benefiting residents of these wards. The total value of grants awarded was £46,310.

The Redcar & Cleveland Eco Schools Support fund makes grants of up to £4,500 to schools to assist with developing and implementing environmental action plans. The total value of grants awarded was £54,000.

One grant of £20,000, from Neighbourhood Renewal Funds, was made to Future Regeneration of Grangetown. No grants were made to individuals.

### 5. GOVERNANCE COSTS

	2007	2006
	£	£
Staff costs	11,445	9,175
Legal	540	420
Audit and accountancy	2,500	3,050
General office costs	6,571	6,573
Depreciation	629	612
	<u>21,685</u>	<u>19,830</u>

### 6. STAFF COSTS

	2007	2006
	£	£
Salaries and wages	378,170	290,058
Social security costs	37,947	30,780
Other pension costs	27,525	22,519
Temporary staff	2,523	6,405
	<u>446,165</u>	<u>349,762</u>

The average number of staff employed during the financial year was as follows

	2007	2006
	Number	Number
Project staff	11	7
Management and administration	4	4
	<u>15</u>	<u>11</u>

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

The directors neither received nor waived any emoluments or expenses during the year.

# GROUNDWORK SOUTH TEES

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

### 7. NET INCOMING RESOURCES

This is stated after charging

	2007 £	2006 £
Depreciation of tangible fixed assets	24,042	22,465
Auditors remuneration	2,500	2,650
Operating lease rentals		
Land and buildings	20,000	18,175
Office equipment	818	682
	<u>24,860</u>	<u>23,832</u>

As described in note 2 the land and building includes a notional charge of £12,000 for premises which are occupied under a rent free lease from Middlesbrough Council

### 8. TANGIBLE FIXED ASSETS

	Leasehold property and improvements £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2006 & 31 March 2007	138,575	25,513	37,796	201,884
<b>Depreciation</b>				
At 1 April 2006	42,509	15,356	26,585	84,450
Charge for the year	14,305	4,012	5,725	24,042
At 31 March 2007	56,814	19,368	32,310	108,492
<b>Net book value</b>				
At 31 March 2007	81,761	6,145	5,486	93,392
At 31 March 2006	96,066	10,157	11,211	117,434

### 9. DEBTORS

	2007 £	2006 £
Trade debtors	383,030	480,135
Prepayments and accrued income	6,398	45,833
	<u>389,428</u>	<u>525,968</u>



# GROUNDWORK SOUTH TEES

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

### 10. CREDITORS: amounts falling due within one year

	2007	2006
	£	£
Payments received on account	460,781	1,071,849
Trade creditors	171,856	355,913
Other creditors – taxation and social security	41,512	17,210
Accruals and deferred income	1,000	5,400
	<u>675,149</u>	<u>1,450,372</u>

### 11. ANNUAL COMMITMENTS UNDER OPERATING LEASES

	Land and buildings	Office equipment
	£	£
Operating leases which expire in two to five years	<u>8,000</u>	<u>818</u>

### 12. RESTRICTED FUNDS

	Balance at 1 April 2006	Incoming resources	Resources expended	Balance at 31 March 2007
	£	£	£	£
Project funding	-	1,866,176	1,866,176	-

Project funding is granted to individual projects and significant transfers of funds between projects are not made without the consent of the donor

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions

Restricted project funding includes £21,000 grant from the Big Lottery Fund which was fully expended during the year

### 13. INDEMNITY INSURANCE

The company paid £3,956 for indemnity insurance against loss arising from any neglect or defaults of directors or staff

### 14. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and does not have a share capital

### 15. CONTINGENCIES

The directors have confirmed that there were no contingent liabilities which should be disclosed at 31 March 2007

### 16. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2007

# **GROUNDWORK SOUTH TEES**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007**

### **17 PENSION COSTS**

The company operates a defined contribution pension scheme for the benefit of its employees. Contributions are charged to the Statement of Financial Activities in the year they are due. The charge for the year was £27,525 (2006 £22,519).

### **18. RELATED PARTY TRANSACTIONS**

The activities of Groundwork South Tees, its capital structure and organisation are explained in the Directors' Report on pages 2 to 6 of these financial statements. Transactions involving the provision of services to one or more of the members are fundamental to the operations of the company in achieving its objects as set out in the Memorandum of Association and are conducted in accordance with the company's financial regulations.

### **19. CONTROL RELATIONSHIPS**

The company is under the control of its directors as listed on page 1.