

# **GROUNDWORK LANCASHIRE WEST AND WIGAN**

**(FORMERLY WIGAN AND CHORLEY GROUNDWORK TRUST LIMITED)**

**(A company limited by guarantee)**

## **ANNUAL REPORT**

**AND**

## **CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31 2007**



COMPANY NUMBER 1764848

CHARITY NUMBER 514727

**WIGAN AND CHORLEY GROUNDWORK TRUST LIMITED**  
**FINANCIAL STATEMENTS AND TRUSTEES REPORT**  
**FOR THE YEAR ENDED MARCH 31 2007**

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**GROUNDWORK LANCASHIRE WEST AND WIGAN**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED MARCH 31 2007**

**DIRECTORS & TRUSTEES**

|               |                                      | <u>Committees of the Board</u> |
|---------------|--------------------------------------|--------------------------------|
| Dr G Bulloch  | (Chair)                              | (PR)                           |
| D Thomas      | (Vice Chair)                         | (PR)                           |
| N D Ash       | (appointed 17/5/06, resigned 8/1/07) |                                |
| E Bell        | (appointed 16/5/06)                  |                                |
| W Brogan      | (resigned 4/5/06)                    | (PW)                           |
| D M Brown     | (appointed 12/7/06)                  |                                |
| A Bryning     | (appointed 27/07/07)                 |                                |
| G Davies      | (resigned 12/7/06)                   |                                |
| E Forshaw     | (resigned 27/04/07)                  | (PC)                           |
| I Fowler      | (appointed 7/08/07)                  |                                |
| P Gee         | (resigned 16/05/06)                  | (PC)                           |
| A Gornall     | (appointed 7/08/07)                  |                                |
| A Gregory     | (appointed 27/04/07)                 |                                |
| P Holland     | (appointed 7/09/07)                  |                                |
| M Honor       | (resigned 27/04/07)                  | (PR)                           |
| J Hotchkiss   | (resigned 20/07/07)                  |                                |
| G L McDonald  |                                      |                                |
| B M Nettleton | (resigned 27/07/07)                  |                                |
| P D Nisbett   | (resigned 27/04/07)                  | (PW)                           |
| S Powell      | (appointed 27/07/07)                 |                                |
| P Stewart     | (appointed 27/07/07)                 |                                |
| S Sage        | (appointed 1/4/07)                   |                                |
| J Shaw        | (resigned 26/07/07)                  |                                |
| D O'Toole     | (appointed 1/04/07)                  |                                |
| F Williams    | (appointed 1/04/07)                  |                                |

**SECRETARY**

|           |                      |
|-----------|----------------------|
| A P Hardy | (resigned 27/04/07)  |
| M J Darby | (appointed 27/04/07) |

**SENIOR MANAGEMENT TEAM**

|                     |              |
|---------------------|--------------|
| Executive Director  | B Allen      |
| Operations Director | C Greenhalgh |
| Finance Director    | M J Darby    |

**REGISTERED OFFICE**

Town Hall  
Library Street  
Wigan  
WN1 1YD

**PRINCIPAL PLACE OF BUSINESS**

74-80 Hallgate  
Wigan  
Lancashire  
WN1 1HP

**AUDITORS**

Chittenden Horley Limited  
Chartered Accountants & Registered Auditors  
456 Chester Road  
Old Trafford  
Manchester M16 9HD

**BANKERS**

Lloyds TSB Bank Plc  
2 – 6 Market Street  
Wigan WN1 1JN

**SUB-COMMITTEES**

|                              |      |
|------------------------------|------|
| Project Committee (Wigan)    | - PW |
| Project Committee (Chorley)  | - PC |
| Policy & Resources Committee | - PR |

**GROUNDWORK LANCASHIRE WEST AND WIGAN**  
**DIRECTORS & TRUSTEES REPORT**  
**FOR THE YEAR ENDED MARCH 31 2007**

The Directors, who are the trustees of the charity, present their annual report and the audited financial statements for the year ended March 31 2007. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 in preparing the annual report and financial statements of the charity.

**STRUCTURE, GOVERNANCE & MANAGEMENT**

**Structure of the Charity**

The Wigan and Chorley Groundwork Trust is a charity and a company limited by guarantee. The governing documents are its Memorandum and Articles of Association.

**The Board of Trustees**

The Board of Trustees comprise trustees in accordance with the Charities Act 1993 who are also the directors of the company in accordance with the Companies Act 1985. The Board comprises of up to 7 nominated and up to 6 co-opted members. The nominated trustees comprise 5 nominated by local authority partners and two by the Groundwork Federation. Co-opted trustees are co-opted by the board to broaden the skills base of the Board or to secure specialist expertise.

**Terms of Office**

Federation nominated trustees are elected for a period of three years and may serve for up to six years. Local authority nominated trustees are appointed on an annual basis. Co-opted trustees are co-opted for three years, and the Board may extend this in order to retain specialist skills or for continuity.

**Induction and Training**

New members of the Board of Trustees are provided with the Trust's Induction Handbook and other key documents and have an induction meeting with the Executive Director and members of the Senior Management Team. Governance training is carried out regularly within the Region and new members of the Board are expected to attend one of these meetings.

**Organisational Structure**

In addition to quarterly board meetings the Board has established three committees namely, Policy and Resources, Wigan Projects Committee and Chorley Projects Committee. A Board trustee chairs each of the Board committees and the members of each committee are appointed by the Board.

The Board of Trustees have agreed terms of reference for these committees but reserves decision making powers for the Board. The committees review matters relevant to their terms of reference and make recommendations to the full board of trustees. The Board has responsibility for the overall strategy and policy of the Trust and approves the forward strategy and annual business Plan.

**Board Committees**

Policy and Resource Committee

Chairman: Gordon Bulloch

**Relations within the Network**

The Trust is a member of the Groundwork Federation. In addition to the financial support provided by the Federation, the Trust receives assistance with financial management and human resources expertise together with the provision of good governance advice. National and Regional teams in the Federation support the Trusts in the development of their programmes and with fundraising.

**Risk Assessment and Management**

The Board fully accepts its responsibilities under the Charity Commission's statement of Recommended Practice (SORP) for ensuring that the major risks to which the Charity is exposed are identified and reviewed, and that there are systems in place to mitigate them. Major risks are those that have a high probability of occurring, and would if they occurred, have a severe impact on either operational performance or achievement of purposes, or could damage Groundwork's reputation.

**GROUNDWORK LANCASHIRE WEST AND WIGAN  
DIRECTORS & TRUSTEES REPORT  
FOR THE YEAR ENDED MARCH 31 2007**

**Risk Assessment and Management (continued)**

The Board monitors the development and operation of the risk management process. The process, which operates as both a top-down and bottom-up mechanism, is designed to enable the Board to conclude whether the major risks to which the Charity is exposed have been identified and reviewed, and that systems have been established to mitigate these risks.

The Senior Management Team has

- Reviewed the main, high impact generic risks
- Established a comprehensive risk register of all the significant risks which may impact on Groundwork's core purposes and key objectives
- Established a bottom-up and top down process of risk identification, assessment, mitigation and monitoring for all likely risks within the Trusts and wider Federation
- Produced a detailed annual report to the Board setting out the action designed to eradicate or mitigate the risks identified

The Board has considered the report from the Senior Management and identified which areas of risk to concentrate action on to address and mitigate the risks identified.

The Board have carried out a review of governance procedures using the good governance model and an improvement action plan is in place.

Risks with partnerships had been identified as a potentially significant risk and this is mitigated through strategic liaison meetings and customer feedback which is acted upon.

The Trust has implemented an integrated project management system that enables senior management to produce accurate forecasts on current and future levels of programme activity, whilst highlighting the key risks within individual projects.

The Trust recognises that risk management is an essential part of good business practice and an effective mechanism of good governance. The Board is committed to ensuring that risk management processes are embedded throughout the Trust and that these processes are used to help identify at an early stage issues that affect performance or achievement of purpose. However, the Board recognises that a risk management system can only seek to manage rather than eliminate risk of failure, and that it should therefore be only one of the tools that the Board uses to provide effective control and management of the administration of the charity.

**OBJECTIVES AND ACTIVITIES**

The Charity's objectives set down in the Memorandum of Association applicable for 2006/7 were

- 1 To promote the conservation, protection and improvement of the physical, natural and social environment of the metropolitan borough of Wigan and the borough of Chorley
- 2 To provide facilities in the interest of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living or working or resorting to the said Boroughs
- 3 To provide better public appreciation of such environmental matters and of ways of better conserving, protecting and improving the same wherever

In the past year the Trust has continued to articulate these objects through three themes

- For people - creating opportunities for people to learn new skills and take local action
- For places - creating better, healthier and safer neighbourhoods
- For prosperity - helping businesses and individuals fulfil their potential

These themes help to build sustainable communities through joint environmental action. The Trust does this by getting residents, businesses and other local organisations involved in practical projects that improve the quality of life, bring about regeneration and lay the foundations for sustainable development. Every year the Trust delivers projects in neighbourhoods blighted by high unemployment and crime levels, poor public health, run-down housing and public spaces, neglected waste ground and struggling businesses.

**GROUNDWORK LANCASHIRE WEST AND WIGAN**  
**DIRECTORS & TRUSTEES REPORT**  
**FOR THE YEAR ENDED MARCH 31 2007**

**OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE IN 2006/07**

**Partnerships and Strategic Positioning**

During the early summer of 2006 the board of Groundwork Wigan and Chorley entered into discussions with Groundwork Lancashire West to discuss structural change within the two organisations. These discussions also involved the Groundwork Federation and the company members of both trusts (Wigan Metropolitan Borough Council and Chorley Borough Council). The two companies set up a joint board working group to consider all the arguments and models for structural change.

The group recommended to the respective boards of both trusts that a merged operation would create a larger, more sustainable business unit, giving opportunity to further develop our offer to communities, partners and stakeholders and to ensure that investments made in the company continue to produce impact through quality projects and programmes.

Both companies agreed to this recommendation. A merger action plan was developed and Groundwork Lancashire West merged with Groundwork Wigan and Chorley on the 1<sup>st</sup> April 2007. Groundwork Wigan and Chorley received Groundwork Lancashire West's staff, programmes and assets and changed its name to Groundwork Lancashire West and Wigan. The Trust also gained approval for some modifications to its charitable objects to include the regeneration objective.

The Trust has recognised the need to develop a business winning plan, underpinned by quality programme delivery. The regeneration funding climate is changing, with increased competition for rationalised funding streams. The Trust must provide evidence that its programme of activities provide sustainable and measurable results through quality evaluation and therefore meet the needs of both funders and beneficiaries. The trust will target opportunities to gain realistic allocations of mainstream local authority funding, whilst providing creativity and holistic delivery.

**Programme Highlights 2006/07**

The trust continued to provide the boroughs of Wigan and Chorley with some outstanding people based programmes, notably the continued expansion of the Youth Works programme in Wigan. The Youth Works programme gives young people from the age of eight, a community base where they can enjoy youth club type activities linked to education and personal development. The centres engage the whole community, reduce the fear of crime, anti social behaviour and provide a sense of local ownership.

Our commitment to provide the Prince's Trust personal development programme continues. This programme gives young people aged 16-25 the opportunity to develop communication, team-working and problem solving skills in a challenging yet fun environment, gaining a nationally recognised qualification whilst completing community projects in their local area. A number of team participants have secured full time, permanent employment after gaining confidence from the programme.

Our Breakthrough programme gives young people aged 14-16 positive direction. The programme gives an exciting mix of challenging educational activities, together with qualifications to improve the participants' chances of gaining future employment. In 2006/07 the trust has taken this programme directly into schools, providing an alternative to mainstream education.

New programmes, aimed at increasing confidence in adults to return to the workplace (Moving on Moving up) and providing young people with health related education (Health Works) have received local acclaim for their supportive effect and their link with national health and employment targets.

The Trust is raising the profile of the climate change agenda in local communities, schools and business, providing information and advice on energy efficiency through an eco-education programme.

The Trust's team of landscape professionals continue to work to improve the visual aesthetics within local communities, through community engagement, consultation and delivery of physical environmental improvements. The 2006-07 capital programme included the provision of Multi Use games areas, community play areas, cycleways, footpaths, fencing schemes and woodland walks.

The Trust now has a fully reconciled project management system, giving staff on line views of how individual projects are progressing both operationally, and financially. The system is also a useful tool to provide partners/funders easy access (when on site or monitoring visits) to key project information. Staff at all levels can access the system and see the impact that their project/programme is having on the overall performance of the trust, giving a feeling of ownership across the company.

The Trust achieved level three accreditation to BS8555 during 2006/07. This environmental quality standard demonstrates our commitment towards addressing the impacts of climate change, ensuring our resources are utilised efficiently.

**GROUNDWORK LANCASHIRE WEST AND WIGAN**  
**DIRECTORS & TRUSTEES REPORT**  
**FOR THE YEAR ENDED MARCH 31 2007**

**FINANCIAL REVIEW**

**Overview**

The accounts to March 31 2007 show a total operational programme of around £1.9m, with additions to unrestricted reserves of £52k. The value of the revenue programme was higher than anticipated, offset by a significantly smaller capital programme, some of which has slipped into 2007-08. The higher than forecast additions to unrestricted reserves, achieved through sound business management, will help ensure the trust moves towards the agreed reserves targets, with a view to providing funding for structured growth and continued investment in the local communities we serve.

The Trust's free reserves (unrestricted reserves net of the investment in fixed assets) have risen to £454k, which is still short of the £500k target of three months operating costs.

The 'free' reserves enabled the Trust to deliver a large scale capital programme (around £500k) in the final quarter of 2006-07, most of which was retrospectively funded. This clearly demonstrates the need for well managed cash reserves as it is very difficult to secure significant amounts of short term financing within the voluntary sector.

The subsidiary company has not traded during year. The Board believe that the subsidiary company should continue in existence in order to enable the Trust to respond to any commercial opportunities to generate funds for the charity.

**Reserves Policy**

The Trust carried out a review of the Reserves Policy and agreed that the level of unrestricted reserves must be sufficient to deliver against the company's medium to long term strategy. Current reserves give the trust the confidence to tender for, and deliver large scale, high impact projects. The reserves also provide for potential future investment, whilst giving greater flexibility in periods of business downturn.

Sound financial and project management systems aid the board in assessing the financial stability of the trust on a regular basis. A proactive, inclusive planning process also ensures reserves are utilised to best effect.

The Reserves Fund does not include Restricted Funds which represent grants paid in advance by sponsors, and held pending completion of project work by others. In accordance with the SORP all incoming resources are recognised in the period in which they are received regardless of whether any associated expenditure has been incurred or not. Only in circumstances specifically identified in the SORP such as when the grant has been received in advance for expenditure which must take place in a future accounting period, or when the grant is dependant upon the fulfilment of a contract, are grants deferred until the Trust becomes entitled to the resources. Restricted Reserves can only be used in accordance with the sponsor's funding agreement for agreed programmes of work and therefore do not form part of the general reserves that are under the control of the trustees.

**Principal Funding Sources**

The principal sources of funding are detailed in note 3 to the financial statements. The Trustees are grateful to all those that support the work of the Trust.

**Full Cost Recovery**

The trust aims to recover the true costs of project activity by utilising nationally applied full cost recovery models. As part of this process, non project related costs are heavily scrutinised to ensure they are fit for purpose and meet the ongoing needs of the business, thereby enabling the company to deliver a best value, quality service.

**GROUNDWORK LANCASHIRE WEST AND WIGAN  
DIRECTORS & TRUSTEES REPORT  
FOR THE YEAR ENDED MARCH 31 2007**

**PLANS FOR THE FUTURE**

The Business Plan for 2007/08 sets out the following key strategic objectives

- To ensure the delivery of a quality, best value service that meets local priorities and promotes strong partnership working
- To ensure that operational delivery is underpinned by sound project management and quality support systems
- To improve the marketability of the Trust's products and services, with an increased focus on contracting and commissioning
- To develop a robust customer relationship management process
- To develop a staffing structure that is fit for purpose and has the flexibility to deliver across a complex organisational area

**2007/08 Operational Programme**

- The Trust will operate seven personal development programmes that are projected to attract over £1.3 million of funding during 2007/08. The projects are largely revenue based and are supported by over 40 staff members and volunteers
- A community places programme of around £1.8 million is forecast, where a dedicated team of community project officers, landscape architects and capital programme implementation officers consult, design and deliver high quality physical environmental improvements. Providing a 'sense of place' for communities is our places programme priority in 2007-08
- The Trust is well placed to link the 'climate change' agenda, developing a programme of resource efficiency education and advice within local communities, schools and businesses
- The Trust will aim to package its programmes to create maximum impact in the communities it serves

**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 company and of the surplus or deficit of the company for that period. In preparing those financial statements the directors have -

- selected suitable accounting policies and applied them consistently
- made judgements and estimates that are reasonable and prudent
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepared the financial statements on the going concern basis

The directors are responsible for keeping 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 steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information



**GROUNDWORK LANCASHIRE WEST AND WIGAN  
DIRECTORS & TRUSTEES REPORT  
FOR THE YEAR ENDED MARCH 31 2007**

**OTHER CHARITIES**

The Trust is a member of the Groundwork Federation, part of Groundwork UK a registered charity Groundwork NW, of which the Trust is also a member, is the regional arm of the Foundation. The Trust receives funding from Groundwork UK, including funding to enable it to participate in the activities of the regional body.

**CHANGES IN FIXED ASSETS**

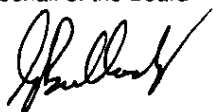
Movements in fixed assets are shown in note 8 to the accounts.

**AUDITORS**

The auditors, Chittenden Horley Limited have indicated their willingness to accept re-appointment under section 384(1) of the Companies Act 1985.

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

On behalf of the Board



G BULLOCH – DIRECTOR

Date - 3/10/07

## INDEPENDENT AUDITORS REPORT

### TO THE MEMBERS OF GROUNDWORK LANCASHIRE WEST AND WIGAN FOR THE YEAR ENDED MARCH 31 2007

We have audited the financial statements of The Group and Parent Charity (Groundwork Lancashire West and Wigan) for the year ended March 31 2007, which comprise the Consolidated Statement of Financial Activities, the Company Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein

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

The trustees' (who are also the directors of Groundwork Lancashire West and Wigan for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

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 also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements. In addition we 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 other transactions is not disclosed

We read the Trustees' 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 of the state of the Group and Parent Charity's affairs as at March 31 2007 and of their incoming resources and application of resources, including their income and expenditure, in the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Annual Report is consistent with the financial statements

*Chittenden Horley Ltd*

Chittenden Horley Limited  
Chartered Accountants &  
Registered Auditors

456 Chester Road  
Old Trafford  
Manchester  
M16 9HD

Date -

*November 7 2007*



**GROUNDWORK LANCASHIRE WEST AND WIGAN**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED MARCH 31 2007**

|   | Notes | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2007<br>£ | Total<br>2006<br>£ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| <b>INCOMING RESOURCES</b>                                 |       |                            |                          |                    |                    |
| <b>Incoming resources from generated funds</b>            |       |                            |                          |                    |                    |
| Voluntary income  | 2     | 54,540                     | -                        | 54,540             | 66,830             |
| <i>Activities for generating funds</i>                    |       |                            |                          |                    |                    |
| Support services  |       | 73,798                     | -                        | 73,798             | 82,168             |
| Investment income - bank interest                         |       | 7,800                      | 295                      | 8,095              | 8,564              |
| Subsidiary company income                                 | 4     | -                          | -                        | -                  | -                  |
| <b>Activities in furtherance of the charities objects</b> |       |                            |                          |                    |                    |
| Project funding   | 3     | 681,993                    | 1,242,548                | 1,924,541          | 1,677,325          |
| Movement in deferred income                               | 3     | (4,299)                    | (26,553)                 | (30,852)           | 8,361              |
| Other income  |       | -                          | -                        | -                  | 7,102              |
| <b>TOTAL INCOMING RESOURCES</b>                           |       | <u>813,832</u>             | <u>1,216,290</u>         | <u>2,030,122</u>   | <u>1,850,350</u>   |
| <b>RESOURCES EXPENDED</b>                                 |       |                            |                          |                    |                    |
| <b>Costs of generating funds</b>                          |       |                            |                          |                    |                    |
| Support Services  | 5     | 68,321                     | -                        | 68,321             | 78,563             |
| Subsidiary company expenditure                            | 4     | -                          | -                        | -                  | 992                |
|   |       | <u>68,321</u>              | <u>-</u>                 | <u>68,321</u>      | <u>79,555</u>      |
| <b>Charitable expenditure</b>                             | 5     | 663,456                    | 1,222,000                | 1,885,456          | 1,683,838          |
| <b>Governance Costs</b>                                   | 5     | 29,900                     | -                        | 29,900             | 22,244             |
| <b>TOTAL RESOURCES EXPENDED</b>                           | 6     | <u>761,677</u>             | <u>1,222,000</u>         | <u>1,983,677</u>   | <u>1,785,637</u>   |
| <b>NET INCOMING/(OUTGOING)<br/>RESOURCES FOR THE YEAR</b> |       | 52,155                     | (5,710)                  | 46,445             | 64,713             |
| <b>BALANCES BROUGHT FORWARD</b>                           |       | 524,310                    | 22,677                   | 546,987            | 482,274            |
| <b>BALANCES CARRIED FORWARD</b>                           | 14    | <u>576,465</u>             | <u>16,967</u>            | <u>593,432</u>     | <u>546,987</u>     |

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the above two financial years

The note on pages 13 to 21 form part of these accounts

**GROUNDWORK LANCASHIRE WEST AND WIGAN  
COMPANY STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED MARCH 31 2007**

|   | Notes | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2007<br>£ | Total<br>2006<br>£ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| <b>INCOMING RESOURCES</b>                                 |       |                            |                          |                    |                    |
| <b>Incoming resources from generated funds</b>            |       |                            |                          |                    |                    |
| Voluntary income  | 2     | 54,540                     | -                        | 54,540             | 66,830             |
| <i>Activities for generating funds</i>                    |       |                            |                          |                    |                    |
| Support services  |       | 73,798                     | -                        | 73,798             | 82,168             |
| Investment income   |       | 7,800                      | 295                      | 8,095              | 8,564              |
| <b>Activities in furtherance of the charities objects</b> |       |                            |                          |                    |                    |
| Project funding   | 3     | 681,993                    | 1,242,548                | 1,924,541          | 1,677,325          |
| Movement in deferred income                               | 3     | (4,299)                    | (26,553)                 | (30,852)           | 8,361              |
| Other Income  |       | -                          | -                        | -                  | 7,102              |
| <b>TOTAL INCOMING RESOURCES</b>                           |       | <u>813,832</u>             | <u>1,216,290</u>         | <u>2,030,122</u>   | <u>1,850,350</u>   |
| <b>RESOURCES EXPENDED</b>                                 |       |                            |                          |                    |                    |
| <b>Costs of generating funds</b>                          | 5     | 68,321                     | -                        | 68,321             | 78,563             |
| <b>Charitable expenditure</b>                             | 5     | 663,456                    | 1,222,000                | 1,885,456          | 1,683,838          |
| <b>Governance costs</b>                                   | 5     | 29,900                     | -                        | 29,900             | 22,244             |
| <b>TOTAL RESOURCES EXPENDED</b>                           | 6     | <u>761,677</u>             | <u>1,222,000</u>         | <u>1,983,677</u>   | <u>1,784,645</u>   |
| <b>NET INCOMING/(OUTGOING)<br/>RESOURCES FOR THE YEAR</b> |       | 52,155                     | (5,710)                  | 46,445             | 65,705             |
| <b>BALANCES BROUGHT FORWARD</b>                           |       | 512,340                    | 22,677                   | 535,017            | 469,312            |
| <b>BALANCES CARRIED FORWARD</b>                           | 14    | <u>564,495</u>             | <u>16,967</u>            | <u>581,462</u>     | <u>535,017</u>     |

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the above two financial years

The note on pages 13 to 21 form part of these accounts

**GROUNDWORK LANCASHIRE WEST AND WIGAN**  
**CONSOLIDATED BALANCE SHEET AT MARCH 31 2007**

|  | Notes | 2007<br>£      | 2007<br>£      | 2006<br>£      | 2006<br>£      |
|--|-------|----------------|----------------|----------------|----------------|
| <b>FIXED ASSETS</b>                          |       |                |                |                |                |
| Tangible Assets                              | 8     |                | 111,530        |                | 120,021        |
| <b>CURRENT ASSETS</b>                        |       |                |                |                |                |
| Stocks                                       | 10    | 5,320          |                | -              |                |
| Debtors                                      | 11    | 530,146        |                | 285,466        |                |
| Cash at Bank and in Hand                     |       | <u>239,639</u> |                | <u>470,807</u> |                |
|  |       | 775,105        |                | 756,273        |                |
| <b>CREDITORS</b>                             |       |                |                |                |                |
| Amounts falling due in one year              | 12    | <u>293,203</u> |                | <u>295,901</u> |                |
| <b>NET CURRENT ASSETS</b>                    |       |                | <u>481,902</u> |                | <u>460,372</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                | 593,432        |                | 580,393        |
| <b>CREDITORS</b>                             |       |                |                |                |                |
| Amounts falling due after more than one year | 13    |                | -              |                | 33,406         |
| <b>NET ASSETS</b>                            |       |                | <u>593,432</u> |                | <u>546,987</u> |
| <b>FUNDS</b>                                 |       |                |                |                |                |
| Unrestricted                                 | 14    |                | 576,465        |                | 524,310        |
| Restricted                                   | 14    |                | <u>16,967</u>  |                | <u>22,677</u>  |
| <b>TOTAL FUNDS</b>                           |       |                | <u>593,432</u> |                | <u>546,987</u> |

These financial statements have been prepared in accordance with the special provisions for small companies under part VII of the Companies Act 1985 and the Financial Reporting Standard for Small Entities (effective January 2005)

The note on pages 13 to 21 form part of these accounts

Approved by the Board of Directors on - 02 October 2007

And signed on their behalf by -



G BULLOCH - DIRECTOR

**GROUNDWORK LANCASHIRE WEST AND WIGAN  
COMPANY BALANCE SHEET AT MARCH 31 2007**

|  | Notes | 2007<br>£      | 2007<br>£      | 2006<br>£      | 2006<br>£      |
|--|-------|----------------|----------------|----------------|----------------|
| <b>FIXED ASSETS</b>                          |       |                |                |                |                |
| Tangible Assets                              | 8     |                | 111,530        |                | 120,021        |
| Investment in subsidiary undertaking         | 9     |                | <u>2</u>       |                | <u>2</u>       |
|  |       |                | 111,532        |                | 120,023        |
| <b>CURRENT ASSETS</b>                        |       |                |                |                |                |
| Stocks                                       | 10    | 5,320          |                | -              |                |
| Debtors                                      | 11    | 530,146        |                | 285,097        |                |
| Cash at Bank and in Hand                     |       | <u>227,492</u> |                | <u>459,000</u> |                |
|  |       | 762,958        |                | 744,097        |                |
| <b>CREDITORS</b>                             |       |                |                |                |                |
| Amounts falling due in one year              | 12    | <u>293,028</u> |                | <u>295,697</u> |                |
| <b>NET CURRENT ASSETS</b>                    |       |                | <u>469,930</u> |                | <u>448,400</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                | 581,462        |                | 568,423        |
| <b>CREDITORS</b>                             |       |                |                |                |                |
| Amounts falling due after more than one year | 13    |                | -              |                | 33,406         |
| <b>NET ASSETS</b>                            |       |                | <u>581,462</u> |                | <u>535,017</u> |
| <b>FUNDS</b>                                 |       |                |                |                |                |
| Unrestricted                                 | 14    |                | 564,495        |                | 512,340        |
| Restricted                                   | 14    |                | <u>16,967</u>  |                | <u>22,677</u>  |
| <b>TOTAL FUNDS</b>                           |       |                | <u>581,462</u> |                | <u>535,017</u> |

These financial statements have been prepared in accordance with the special provisions for small companies under part VII of the Companies Act 1985 and the Financial Reporting Standard for Small Entities (effective January 2005)

The note on pages 13 to 21 form part of these accounts

Approved by the Board of Directors on - 0 October 3 2007

And signed on their behalf by -



G BULLOCH - DIRECTOR

## GROUNDWORK LANCASHIRE WEST AND WIGAN

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31 2007

#### 1 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below

##### Basis of preparation

The accounts have been prepared under the historic cost convention and comply with the Statement of Recommended Practice "Accounting and Reporting by Charities", (issued in March 2005), and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

##### Fund accounting

General funds are available at the discretion of the directors in furtherance of the general objectives of the Trust

Restricted funds are funds subject to specific restrictive conditions imposed by funders or by the purpose of the grant. The purpose and use of the restricted funds is set out in note 14 to the accounts

##### Incoming resources

Income is recognised in the accounting period in which it is receivable, except in the following circumstances, when the income is deferred and included in creditors

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out and the Trust is not contractually entitled to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that unspent grant must be refunded

Income includes grants in respect of revenue and capital items

##### Expenditure

Costs are defined as follows

|                           |  |
|---------------------------|--|
| Costs of generating funds | Includes those costs associated with attracting voluntary income and in applying for new funding and sponsorship |
|---------------------------|--|

|                        |  |
|------------------------|--|
| Charitable expenditure | The costs delivering the charitable activities |
|------------------------|--|

|                  |   |
|------------------|---|
| Governance costs | The costs associated with meeting the constitutional and statutory requirements of the charity and include fees for external scrutiny of the accounts and costs linked to the strategic management of the charity |
|------------------|---|

All costs are allocated between expenditure categories of the SoFA on a basis designed to reflect the use of resources. Costs directly relating to a particular activity are allocated directly and other costs (support costs) are allocated on an appropriate basis to reflect the usage of resources. Details are given in note 5

Grants, made to third parties, are charged to the statement of financial activities in the year in which the funded activities take place, or if that is not determinable, when they commence. Any amounts of grants so charged which are unclaimed at the year end are included in creditors. Grants are included with other charitable expenditure

##### Defined contributions pension contributions

The company operates a defined contributions pension scheme for certain employees who are not eligible for the defined benefit scheme

Contributions are charged to expenditure as they become payable in accordance with the scheme rules

## GROUNDWORK LANCASHIRE WEST AND WIGAN

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31 2005

#### 1 ACCOUNTING POLICIES (continued)

##### Defined benefit pension contributions

The company participates in the Greater Manchester Pension Fund (GMPF) in respect of one employee who commenced employment before January 1991. This fund is an independently administered defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. The GMPF is valued every three years by a professionally qualified independent actuary using the projected unit method, the rate of contribution payable being determined by the actuary. Pension costs are assessed on the latest actuarial valuation of the scheme and are accounted for on the basis of charging the cost of providing pensions over the period during which the company benefits from its employee's services.

No additional employees have been admitted to this scheme since January 1991.

##### Fixed assets and depreciation

Assets costing less than £500 are not capitalised, but written off as expenditure in the year of acquisition.

Depreciation is provided on the cost of tangible fixed assets in order to write off the cost after taking account of scrap values over the expected useful lives as follows -

|                         |         |
|-------------------------|---------|
| Motor vehicles          | 25%     |
| Furniture and equipment | 20%/30% |

##### Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. In respect of work in progress on projects, costs include a relevant proportion of labour and materials according to the degree of completion.

##### Hire purchase creditors

Assets held on hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors. Interest is calculated using the sum of the digits method.

##### Operating leases

Payments under operating leases are charged to the income and expenditure account in the period to which they relate.

##### Capital grants

Grants received in respect of capital expenditure, which may be repayable in certain circumstances, are treated as restricted funds and included in incoming resources in the year of receipt. They are released to unrestricted funds, in so far as any restrictions have been met by means of a transfer each year to match the depreciation charged.

##### Landfill Tax Scheme

The company is an eligible environmental body to receive and dispense Landfill Tax Monies. Landfill Tax money is credited to the accounts in the period when it is received. These funds have enabled the Chantry to make grant awards to third parties, subject to prior approval by Entrust (the regulatory body for landfill tax credits). The accounting policies for these grants are set out above.

If the grant-aided project has not commenced and/or the decision to fund was not made in the accounting period then no charge is made to the SOFA in the accounting period and the funds are carried forward as restricted funds.

The accounts disclose the value of commitments to funding made as at the year end, and no commitments are made in excess of funds already secured.



**GROUNDWORK LANCASHIRE WEST AND WIGAN**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31 2007**

|                                  | Unrestricted<br>£ | Restricted<br>£ | Total<br>2007<br>£ | Total<br>2006<br>£ |
|----------------------------------|-------------------|-----------------|--------------------|--------------------|
| <b>2 VOLUNTARY INCOME</b>        |                   |                 |                    |                    |
| <b>Core funding</b>              |                   |                 |                    |                    |
| Central Government               | -                 | -               | -                  | 12,000             |
| Local Government                 | 54,540            | -               | 54,540             | 54,830             |
| <b>Per Consolidated accounts</b> | 54,540            | -               | 54,540             | 66,830             |
| Donations - NEL                  | -                 | -               | -                  | -                  |
| <b>Per company accounts</b>      | 54,540            | -               | 54,540             | 66,830             |

**3 INCOME FROM CHARITABLE ACTIVITIES**

|   | RECEIVED<br>£  | DEFERRED INCOME |                 | TOTAL<br>£     | 2006<br>£      |
|---|----------------|-----------------|-----------------|----------------|----------------|
|   |                | B/F<br>£        | C/F<br>£        |                |                |
| <b>PROJECT GRANTS &amp; FEES - UNRESTRICTED</b> |                |                 |                 |                |                |
| People  | 393,805        | 26,264          | (36,800)        | 383,269        | 474,651        |
| Places  | 217,725        | 36,000          | (29,763)        | 223,962        | 455,444        |
| Prosperity                                      | 70,463         | -               | -               | 70,463         | 52,472         |
|   | <u>681,993</u> | <u>62,264</u>   | <u>(66,563)</u> | <u>677,694</u> | <u>982,567</u> |
| <i>March 31 2006</i>                            | <u>997,044</u> | <u>47,787</u>   | <u>(62,264)</u> | <u>982,567</u> |                |

**PROJECT GRANTS - RESTRICTED**

|                      |                  |               |                 |                  |                |
|----------------------|------------------|---------------|-----------------|------------------|----------------|
| People               | 596,072          | 5,060         | (11,325)        | 589,807          | 455,049        |
| Places               | 605,337          | 2,693         | (22,981)        | 585,049          | 175,829        |
| Prosperity           | 41,139           | -             | -               | 41,139           | 72,241         |
|                      | <u>1,242,548</u> | <u>7,753</u>  | <u>(34,306)</u> | <u>1,215,995</u> | <u>703,119</u> |
| <i>March 31 2006</i> | <u>680,281</u>   | <u>30,591</u> | <u>(7,753)</u>  | <u>703,119</u>   |                |

**SUMMARY**

|                      |                  |               |                  |                  |                  |
|----------------------|------------------|---------------|------------------|------------------|------------------|
| People               | 989,877          | 31,324        | (48,125)         | 973,076          | 929,700          |
| Places               | 823,062          | 38,693        | (52,744)         | 809,011          | 631,273          |
| Prosperity           | 111,602          | -             | -                | 111,602          | 124,713          |
|                      | <u>1,924,541</u> | <u>70,017</u> | <u>(100,869)</u> | <u>1,893,689</u> | <u>1,685,686</u> |
| <i>March 31 2006</i> | <u>1,677,325</u> | <u>78,378</u> | <u>(70,017)</u>  | <u>1,685,686</u> |                  |

**The funding came from the following sources**

|                       | Unrestricted   | Restricted       | Total            | 2006             |
|-----------------------|----------------|------------------|------------------|------------------|
| Central Government    | 103,563        | -                | 103,563          | 92,677           |
| Landfill Tax Scheme   | -              | 54,695           | 54,695           | 51,470           |
| Home Office           | -              | -                | -                | 94,812           |
| Other Public Agencies | 238,138        | 82,951           | 321,089          | 186,058          |
| Big Lottery Fund      | -              | 132,337          | 132,337          | 94,127           |
| National Lottery      | -              | 83,652           | 83,652           | 35,656           |
| Local Government      | 176,233        | 180,030          | 356,263          | 434,599          |
| European Union        | -              | 188,221          | 188,221          | 246,821          |
| SRB                   | -              | 284,835          | 284,835          | 117,251          |
| Private Sector        | 159,760        | 209,274          | 369,034          | 332,115          |
|                       | <u>677,694</u> | <u>1,215,995</u> | <u>1,893,689</u> | <u>1,685,586</u> |

**GROUNDWORK LANCASHIRE WEST AND WIGAN**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31 2007**

**4 TRADING SUBSIDIARY**

|  | 2007<br>£ | 2006<br>£    |
|--|-----------|--------------|
| Turnover   | -         | -            |
| Cost of sales  | -         | 992          |
| Gross profit   | -         | (992)        |
| Administration Expenses                              | -         | -            |
| Operating profit/loss                                | -         | (992)        |
| Interest receivable                                  | -         | -            |
| Net profit/loss before taxation                      | -         | (992)        |
| Taxation   | -         | -            |
| Net profit/loss after taxation                       | -         | (992)        |
| Payment under gift aid (eliminated on consolidation) | -         | -            |
| <b>Net Profit/Loss for the year</b>                  | <b>-</b>  | <b>(992)</b> |

**5 TOTAL RESOURCES EXPENDED**

|   | Staff Costs<br>£        | Direct costs<br>£     | Apportioned Costs<br>£ | Total<br>2007<br>£      | Total<br>2006<br>£      |
|---|-------------------------|-----------------------|------------------------|-------------------------|-------------------------|
| <b>Costs of generating funds</b>                        |                         |                       |                        |                         |                         |
| Support services  | 62,077                  | 3,137                 | 3,107                  | 68,321                  | 78,563                  |
|   | <u>62,077</u>           | <u>3,137</u>          | <u>3,107</u>           | <u>68,321</u>           | <u>78,563</u>           |
| <b>Charitable expenditure:</b>                          |                         |                       |                        |                         |                         |
| Costs of activities in furtherance of charity's objects |                         |                       |                        |                         |                         |
| People  | 621,897                 | 251,731               | 82,676                 | 956,304                 | 857,364                 |
| Places  | 383,713                 | 386,919               | 52,067                 | 822,699                 | 684,285                 |
| Prosperity  | 72,123                  | 15,283                | 19,047                 | 106,453                 | 142,189                 |
|   | <u>1,077,733</u>        | <u>653,933</u>        | <u>153,790</u>         | <u>1,885,456</u>        | <u>1,683,838</u>        |
| <b>Governance costs</b>                                 | <u>16,077</u>           | <u>13,823</u>         | <u>-</u>               | <u>29,900</u>           | <u>22,244</u>           |
| <b>Total expenditure</b>                                | <u><b>1,155,887</b></u> | <u><b>670,893</b></u> | <u><b>156,897</b></u>  | <u><b>1,983,677</b></u> | <u><b>1,784,645</b></u> |

Apportioned Costs are allocated on the following basis

|   |                        |
|---|------------------------|
| Premises Costs  | Floor space            |
| Transport Costs   | Estimated usage        |
| Office services - post/phone/depreciation/insurance                             | Staff per square metre |
| Other services - transport/printing/stationery/subs/publicity/VAT/finance costs | Proportion of income   |

|                 | People        | Places        | Prosperity    | Support      | Total          |
|-----------------|---------------|---------------|---------------|--------------|----------------|
| Premises Costs  | 30,915        | 17,242        | 9,513         | 1,783        | 59,453         |
| Transport Costs | 2,800         | 2,416         | 360           | 0            | 5,576          |
| Office Services | 39,986        | 25,175        | 8,498         | 1,324        | 74,983         |
| Other Services  | 8,975         | 7,234         | 676           | 0            | 16,885         |
|                 | <u>82,676</u> | <u>52,067</u> | <u>19,047</u> | <u>3,107</u> | <u>156,897</u> |

**GROUNDWORK LANCASHIRE WEST AND WIGAN**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31 2007**

**6 NET INCOMING RESOURCES BEFORE TRANSFERS**

| This is stated after charging           | 2007<br>£ | 2006<br>£ |
|---|-----------|-----------|
| Auditors remuneration -                 |           |           |
| Audit fees - statutory audit            | 7,497     | 3,000     |
| Audit fees - grant certificates         | 1,200     | 2,000     |
| Accountancy fees                        | -         | 1,083     |
| Depreciation of assets on hire purchase | 2,038     | 3,463     |
| Depreciation of other fixed assets      | 9,638     | 13,522    |
| Operating lease rentals                 | 113,614   | 105,135   |
| Directors' remuneration & expenses      | -         | -         |

**7 STAFF COSTS**

The payroll costs of the group were as follows -

|                                       |                  |                  |
|---------------------------------------|------------------|------------------|
| Wages & salaries                      | 1,036,564        | 906,975          |
| Social security costs                 | 94,000           | 82,150           |
| Pension costs - defined contributions | 18,650           | 22,394           |
| Pension costs - defined benefit       | 6,673            | 6,127            |
|                                       | <u>1,155,887</u> | <u>1,017,646</u> |

No employee earned more than £60,000 pa

The average number of employees of the group was as follows -

|                       | Number    | Number    |
|-----------------------|-----------|-----------|
| Charitable activities | 57        | 49        |
| Generating funds      | 3         | 3         |
|                       | <u>60</u> | <u>52</u> |

**8 TANGIBLE FIXED ASSETS**

**GROUP AND COMPANY**

|                       | Long<br>Leasehold<br>Property | Short leasehold<br>Improvements | Fixtures &<br>Equipment | Motor<br>Vehicles | Total          |
|-----------------------|-------------------------------|---------------------------------|-------------------------|-------------------|----------------|
| Cost                  | £                             | £                               | £                       | £                 | £              |
| As at April 1 2006    | 95,000                        | 38,792                          | 132,677                 | 22,182            | 288,651        |
| Additions             | -                             | -                               | 3,185                   | -                 | 3,185          |
| Disposals             | -                             | -                               | -                       | -                 | -              |
| As at March 31 2007   | <u>95,000</u>                 | <u>38,792</u>                   | <u>135,862</u>          | <u>22,182</u>     | <u>291,836</u> |
| <b>Depreciation</b>   |                               |                                 |                         |                   |                |
| As at April 1 2006    | -                             | 38,792                          | 108,708                 | 21,130            | 168,630        |
| Charge for the year   | -                             | -                               | 10,624                  | 1,052             | 11,676         |
| On disposals          | -                             | -                               | -                       | -                 | -              |
| As at March 31 2007   | <u>-</u>                      | <u>38,792</u>                   | <u>119,332</u>          | <u>22,182</u>     | <u>180,306</u> |
| <b>Net Book Value</b> |                               |                                 |                         |                   |                |
| As at March 31 2007   | <u>95,000</u>                 | <u>-</u>                        | <u>16,530</u>           | <u>-</u>          | <u>111,530</u> |
| As at April 1 2006    | <u>95,000</u>                 | <u>-</u>                        | <u>23,969</u>           | <u>1,052</u>      | <u>120,021</u> |

The net book value of assets held on hire purchase contracts is £3,023 after charging depreciation and reclassifying those assets now fully owned by the charity (2006 £5,061)

**GROUNDWORK LANCASHIRE WEST AND WIGAN**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31 2007**

**9 FIXED ASSET INVESTMENT**

The investment comprises a 100% holding in the ordinary share capital of New Environment Limited, a company incorporated in England and Wales, which undertakes commercial or out of area environmental work in order to raise funds for the charity

|                  | <b>GROUP</b> | <b>GROUP</b> | <b>COMPANY</b> | <b>COMPANY</b> |
|------------------|--------------|--------------|----------------|----------------|
|                  | <b>2007</b>  | <b>2006</b>  | <b>2007</b>    | <b>2006</b>    |
|                  | <b>£</b>     | <b>£</b>     | <b>£</b>       | <b>£</b>       |
| Stock            | -            | -            | -              | -              |
| Work in progress | 5,320        | -            | 5,320          | -              |
|                  | <u>5,320</u> | <u>-</u>     | <u>5,320</u>   | <u>-</u>       |

**10 STOCKS**

|                  |              |          |              |          |
|------------------|--------------|----------|--------------|----------|
| Stock            | -            | -        | -            | -        |
| Work in progress | 5,320        | -        | 5,320        | -        |
|                  | <u>5,320</u> | <u>-</u> | <u>5,320</u> | <u>-</u> |

**11 DEBTORS**

|                               |                |                |                |                |
|-------------------------------|----------------|----------------|----------------|----------------|
| Trade debtors                 | 448,569        | 173,010        | 448,569        | 172,641        |
| Amount due from Group company | -              | -              | -              | -              |
| Grants & income receivable    | 64,161         | 91,326         | 64,161         | 91,326         |
| Prepayments                   | 17,416         | 21,130         | 17,416         | 21,130         |
|                               | <u>530,146</u> | <u>285,466</u> | <u>530,146</u> | <u>285,097</u> |

**12 CREDITORS falling due within one year**

|                                    |                |                |                |                |
|------------------------------------|----------------|----------------|----------------|----------------|
| Trade creditors                    | 30,735         | 51,597         | 30,735         | 51,587         |
| Other taxation and social security | 27,900         | 18,927         | 27,900         | 19,033         |
| Hire purchase creditor             | -              | 2,648          | -              | 2,648          |
| Accruals                           | 29,758         | 52,662         | 29,583         | 52,362         |
| Payroll agent - WMBC               | 95,787         | 90,234         | 95,787         | 90,234         |
| Mortgage loan                      | 8,154          | 8,316          | 8,154          | 8,316          |
| Income and grants in advance       | 100,869        | 71,517         | 100,869        | 71,517         |
|                                    | <u>293,203</u> | <u>295,901</u> | <u>293,028</u> | <u>295,697</u> |

**13 CREDITORS amounts falling due after more than one year**

|   |   |        |   |        |
|---|---|--------|---|--------|
| Mortgage loan - due between 2 and 5 years | - | 33,406 | - | 33,406 |
|---|---|--------|---|--------|

The mortgage loan is secured on the long leasehold property and interest is charged at the rate of 2% over base

**GROUNDWORK LANCASHIRE WEST AND WIGAN**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31 2007**

**14 STATEMENT OF FUNDS**

|                             | Balance<br>01/04/06<br>£ | Income<br>£      | Expenditure<br>£   | Balance<br>31/03/07<br>£ |
|-----------------------------|--------------------------|------------------|--------------------|--------------------------|
| <b>GROUP</b>                |                          |                  |                    |                          |
| <b>Unrestricted funds</b>   |                          |                  |                    |                          |
| General fund                | 524,310                  | 813,832          | (761,677)          | 576,465                  |
|                             | <u>524,310</u>           | <u>813,832</u>   | <u>(761,677)</u>   | <u>576,465</u>           |
| <b>Restricted Funds</b>     |                          |                  |                    |                          |
| Project funding             | -                        | 1,161,300        | (1,144,800)        | 16,500                   |
| Landfill tax monies - LML   | 22,677                   | 295              | (22,505)           | 467                      |
| Landfill tax monies - other | -                        | 54,695           | (54,695)           | -                        |
|                             | <u>22,677</u>            | <u>1,216,290</u> | <u>(1,222,000)</u> | <u>16,967</u>            |
| <b>Total Funds</b>          | <u>546,987</u>           | <u>2,030,122</u> | <u>(1,983,677)</u> | <u>593,432</u>           |
| <b>COMPANY</b>              |                          |                  |                    |                          |
| <b>Unrestricted funds:</b>  |                          |                  |                    |                          |
| General fund                | 512,340                  | 813,832          | (761,677)          | 564,495                  |
|                             | <u>512,340</u>           | <u>813,832</u>   | <u>(761,677)</u>   | <u>564,495</u>           |
| <b>Restricted Funds.</b>    |                          |                  |                    |                          |
| Project funding             | -                        | 1,161,300        | (1,144,800)        | 16,500                   |
| Landfill tax monies - LML   | 22,677                   | 295              | (22,505)           | 467                      |
| Landfill tax monies - other | -                        | 54,695           | (54,695)           | -                        |
|                             | <u>22,677</u>            | <u>1,216,290</u> | <u>(1,222,000)</u> | <u>16,967</u>            |
| <b>Total Funds</b>          | <u>535,017</u>           | <u>2,030,122</u> | <u>(1,983,677)</u> | <u>581,462</u>           |

Landfill tax monies received are analysed as follows

|                          |               |
|--------------------------|---------------|
|                          | £             |
| Tax credits received     | 54,695        |
| Interest on bank account | 295           |
|                          | <u>54,990</u> |

The project funding carried forward represents funds received in advance which will be used to carry out project work in 2007/8

The balance in the landfill tax fund is available for the charity to cover the support costs of LML funded projects in 2007/8

**GROUNDWORK LANCASHIRE WEST AND WIGAN**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31 2007**

**15 ANALYSIS OF COMPANY NET ASSETS BETWEEN FUNDS**

| Fund balances at March 31 2007 are represented by - | Unrestricted   | Restricted    | Total          |
|---|----------------|---------------|----------------|
|   | Funds          | Funds         |                |
|   | £              | £             | £              |
| Tangible fixed assets                               | 111,530        | -             | 111,530        |
| Investments   | 2              | -             | 2              |
| Current assets                                      | 745,991        | 16,967        | 762,958        |
| Current liabilities                                 | (293,028)      | -             | (293,028)      |
|   | <u>564,495</u> | <u>16,967</u> | <u>581,462</u> |

**16 CONSTITUTION**

The Company is limited by guarantee and does not have a share capital. The guarantors are Wigan Borough Council, Chorley Borough Council and Groundwork UK. Their liability is limited to £10 each.

**17 TAXATION**

The company is a registered charity and is entitled to claim annual exemption from UK corporation tax under s505 ICTA 1988.

**18 CAPITAL COMMITMENTS**

At the year end there are no Capital Commitments.

**19 OPERATING LEASE COMMITMENTS**

The company has the following annual commitments under operating leases -

|                                 | 2007          | 2007          | 2006          | 2006          |
|---------------------------------|---------------|---------------|---------------|---------------|
|                                 | Land          | Others        | Land          | Others        |
|                                 | £             | £             | £             | £             |
| Operating leases which expire - |               |               |               |               |
| Within one year                 | 26,258        | 1,860         | 57,288        | 2,767         |
| Between 2 and 5 years           | 55,873        | 29,622        | 15,740        | 29,340        |
|                                 | <u>82,131</u> | <u>31,483</u> | <u>73,028</u> | <u>32,107</u> |

**20 DEBENTURE**

The Trust has entered into a formal agreement with Wigan MBC relating to its borrowing from the Local Authority against European grant claims. Under the terms of this agreement the Trust is able to defer payroll payments up to the value of the European grants outstanding. At the year end none of the payroll creditor was secured under this debenture.

**21 DEFINED BENEFIT PENSION SCHEME**

As stated in note one the company is a member of the Greater Manchester Pension Fund (GMPF)

The fund is valued every three years by a professionally qualified independent actuary using the projected unit method the rate of contributions payable being determined by the actuary

The latest actuarial assessment of the scheme was at April 1 2005 The assessment was based on the assumption that investment returns would in future be 6.25 % per annum The actuarial valuation showed the value of the schemes assets as being 105% of liabilities of the scheme

The actuary reported that in his opinion "the resources of the scheme are likely in the normal course of events to meet the liabilities of the scheme, as required by the regulations "

This is a multi-employer scheme and its is not possible to separately identify the assets and liabilities of the scheme which would be attributable to the Trust