

**GROUNDWORK LANCASHIRE WEST AND WIGAN**

**(A Company limited by guarantee)**

**ANNUAL REPORT**

**AND**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31 2012**

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COMPANIES HOUSE

**COMPANY NUMBER 1764848**

**CHARITY NUMBER 514727**

**GROUNDWORK LANCASHIRE WEST AND WIGAN**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED MARCH 31 2012**

**DIRECTORS & TRUSTEES**

D Garrett	(Chairman)
T Aldridge	(Resigned 21 03 12)
E Bell	
R T Chapman	
R T Dixon	
I Fowler	(Resigned 20 05 11)
A Gornall	(Resigned 20 05 11)
A Gregory	
G Pratt	
P Rogers	
P Stewart	
F Jackson	(Appointed 20 05 11)
R Boswell	(Appointed 25 11 11)
M Skilling	(Appointed 21 03 12)

**SECRETARY**

C M Rice

**SENIOR MANAGEMENT TEAM**

Executive Director	A Darron
Finance Manager	J Smith
Programme Director	C Greenhalgh
Programme Director	D Beauzeval
Programme Director	J Mutch

**REGISTERED OFFICE**

74-80 Hallgate  
Wigan  
Lancashire WN1 1HP

**PRINCIPAL PLACE OF BUSINESS**

74-80 Hallgate  
Wigan  
Lancashire WN1 1HP

**AUDITORS**

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

**BANKERS**

Lloyds TSB Bank plc  
2-6 Market Street  
Wigan WN1 1JN

**SOLICITORS**

Stephensons LLP  
Wigan Investment Centre  
Waterside Drive  
Wigan WN3 5BA

**GROUNDWORK LANCASHIRE WEST AND WIGAN**  
**DIRECTORS & TRUSTEES REPORT**  
**FOR THE YEAR ENDED MARCH 31 2012**

The Directors, who are the trustees of the charity, present their annual report and the audited financial statements for the year ended March 31 2012. 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 AND MANAGEMENT**

**Structure of the Charity**

Groundwork Lancashire West and Wigan is a charity and company limited by guarantee. The governing documents are its memorandum and Articles of Association.

**The Board of Trustees**

The Board of Trustees comprise of trustees in accordance with the Charities Act 2011 who are also the directors of the company in accordance with the Companies Act 2006. The Board comprises of up to 9 nominated and up to 9 co-opted members. The nominated trustees comprise of 7 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 a Performance & Review Committee.

The Board of Trustees have agreed terms of reference for this committee but reserves decision making powers for the Board. The committee reviews matters relevant to its terms of reference and makes 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 Committee**

Performance & Review Committee	Chairman Doug Garrett
	Member P Rogers
	Member R Dixon

**Relations within the Network**

The Trust is a member of the Groundwork Federation and works very closely with colleagues at our Federal Office – Groundwork UK - in Birmingham and our colleagues in neighbouring Trusts within the North West. The results of this partnership are numerous.

- We continue to support Groundwork UK with the development and delivery of National Programmes,
- We participate within national quality framework and practitioner development programmes,
- We work with neighbouring Trusts to commission joint support services, thereby ensuring quality and sharing back office costs,
- We work together at sub-regional level to ensure effective engagement with bodies such as the Local Enterprise Partnerships and AGMA,
- We work together to share the cost of developing new projects and services
- We work together to bid for the delivery of cross Trust commissions

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**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.

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 (SMT) and identified which areas of risk to concentrate action on to address and mitigate the risks identified. The SMT will update the board on a quarterly basis on the progress of the risk management plan.

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 the 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.

**Public Benefit Statement**

The trustees have given due consideration to Charity Commission guidance on public benefit and confirm that the company is compliant with Section 17 of the Charities Act 2011 in respect of public benefit.

**GROUNDWORK LANCASHIRE WEST AND WIGAN**  
**DIRECTORS & TRUSTEES REPORT**  
**FOR THE YEAR ENDED MARCH 31 2012**

**OBJECTIVES AND ACTIVITIES**

The Charity's objectives set down in the Memorandum of Association applicable for 2011/12 were

- 1 to promote the conservation, protection and improvement of the physical and natural environment in the Borough of Wigan, the Borough of Blackpool and the Boroughs of Chorley, Lancaster, Preston, Fylde, Wyre, South Ribble and West Lancashire in the County of Lancashire (the "Area of Benefit"),
- 2 to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the life for those living in or working in or resorting to the Area of Benefit,
- 3 to advance public education in environmental matters and other ways of better conserving, protecting and improving the same wheresoever,
- 4 to promote, for the public benefit, urban and rural regeneration in areas of social and economic deprivation in the Area of Benefit by
  - 4 1 the relief of poverty in such ways as may be thought fit,
  - 4 2 the relief of unemployment in such ways as may be thought fit including assistance to find employment,
  - 4 3 the advancement of education, training or re-training particularly amongst unemployed people and providing unemployed people with work experience,
  - 4 4 the provision of financial assistance, technical assistance, or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help
    - (i) in setting up their own business, or
    - (ii) to existing businesses,
  - 4 5 the creation of training and employment opportunities by the provision of work space, building and/or land for use on favourable terms,
  - 4 6 the provision of housing for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing,
    - 4 6 1 the maintenance, improvement or provision of public amenities,
    - 4 6 2 the preservation of buildings or sites of historic or architectural importance,
    - 4 6 3 the provision or assistance in the provision of recreational facilities for the public at large and/or those who, by reasons of their youth, age infirmity or disablement, poverty or social and economic circumstances, have need of such facilities,
    - 4 6 4 the protection or conservation of the environment,
    - 4 6 5 the provision of public health facilities and child care,
    - 4 6 6 the promotion of public safety and prevention of crime,
    - 4 6 7 such other means as may from time to time be determined subject to the prior written consent of the Charity Commissioners for England and Wales

## ACHIEVEMENTS AND PERFORMANCE

### Programme Highlights 2011/12

The trust has articulated its objectives and activities through four key programme areas:

*Communities Programme, Employment & Skills Programme, Land Services Programme and Sustainability Services Programme*

#### 1 Employment & Skills Programme

This year marked a transition year for our Employment & Skills Programme as several long running programmes came to an end whilst a number of new programmes requiring a different approach started to take shape. Despite this transition, the year has once again been a considerable success both in terms of sustainable outcomes and funding.

The Trust has built on the skills we have acquired through these older programmes developing our personal development, employability skills and IAG services whilst investing in our capability to deliver more formally accredited training including *Open Awards in horticulture and forestry, environmental conservation, foundations for learning and life and preparation for work*.

Our focus on Employment & Skills and the experience we have gained through programmes such as Future Jobs Fund has seen the Trust emerge as a high profile provider of employment related services in Wigan especially. We have also increased our programme in Chorley and in Preston and Blackpool.

##### *Key projects*

- *FJF/Regenerating Coalfields Programme* – This year marks the end of the grant funded ILM programmes that has seen the Trust help several hundred young people into work – many for the first time.
- *Leigh Community Cohesion* – The end of a 4 year project that uses our alternative curriculum services to help new arrivals and economic migrants integrate into the Leigh community.
- *Enterprise Coaching* – Helping local people in Wigan & Leigh to build confidence and develop the necessary skills to be able to set up their own business.
- *Princes Trust* – We have delivered 7 Princes Trust teams across Wigan, Leigh and Chorley this year and this continues to be a flagship programme for the Trust.
- *City Guilds Level 1 Practical Horticulture* – We have delivered 2 programmes with 10 participants in each programme commissioned by Rathbone as part of their post 16 service in Chorley.
- *Information, Advice & Guidance (IAG)* – We have increased our capacity through the employment of 2 level 4 IAG advisors and have trained up a further 4 and are working towards achieving matrix accreditation.
- *Blue Sky* – The launch of Blue Sky in Lancashire and the employment of our first 10 ex-offenders.

##### *Key disappointments*

- Ending of the FJF and Regenerating Coalfields programme in Wigan.
- Lack of opportunities linked to Work Programme providers.

#### 2. Communities Programme.

The year has seen our Communities Programme build on our recent successes in Blackpool with the addition of a solid set of projects in Preston and impressive support for *Greenheart – Wigan's Regional Park*. The programme value has increased in financial value by 60% with some form of active project delivery in almost every authority area across our operational area. Importantly, the work of the team has helped cement our position as a key partner within Blackpool – the culmination of a 3 year programme of dedicated investment and capacity building.

##### *Key projects and successes*

- *Blackpool Pond Trail* – The 3<sup>rd</sup> year of the Lottery Funded North Blackpool Pond Trail has seen the project recognised with a *Civic Trust Open Spaces Award*.
- *Blackpool Link* – Our performance delivering Blackpool Link has helped Blackpool win *HealthWatch Pathfinder* status.
- *Blackpool Urban Greening* – Our continuing success with Grow Blackpool has seen the Trust commissioned to support the regeneration of South Shore through a community street greening programme and Asset Based Community Development (ABCD) project, Healthy Streets.
- *Greenheart Community Action Team* – Supporting the improvement of Wigan's Regional Park through the deployment of a volunteer development team. Success has levered in considerable resources for the Wigan

**Green Team**

- *Youth Programme* – Successfully bringing together YPFN, Home Office Choices and LCC Development funding to provide a youth programme based around a *key worker*
- *Greater Together* – Leading member of the new Lancashire 3<sup>rd</sup> sector youth consortium that is working to provide a viable model through which LCC and others can commission youth provision at scale
- *Positive Futures* – Success in moving this programme from the fringe to a more mainstream position within Preston, resulting in 2012/13 extension

**Key disappointments and successes**

- An increase in short term nature of funding across the whole trust delivery area is making capacity management difficult
- Failure to progress beyond first round with *Communities Living Sustainably* lottery bid

**3. Land Services Programme**

Our Land Service department consists of 3 distinct yet interconnected departments. Our Landscape Design Team employs professional landscape architects who design and contract manage the implementation of a wide range of environmental improvement projects, providing technical design, contract management and fundraising support to communities and managing build contracts that create training opportunities for local people.

Our Wigan Contracts Team delivers a commercial landscape development and maintenance service helping clients and communities across Wigan to create better, more liveable neighbourhoods. However, importantly we use the contracts that we win to create jobs which we use to provide work experience and training opportunities to local unemployed people. This year has seen the team prepare for the transition from grant funded training programmes to a more commercial world.

During the year we have also launched Blue Sky in Lancashire, operating from a new depot in Preston. Similar to our Wigan Contracts Team, Blue Sky uses the landscape development and maintenance contracts that it wins to create employment and training opportunities for local unemployed people. However, the key difference is that Blue Sky focuses exclusively on supporting ex-offenders as we seek to use environmental projects to help tackle the enormous social and economic costs associated with re-offending.

**Key projects and successes**

- The launch of Blue Sky in Lancashire and the delivery of the Guild Wheel and North Blackpool Pond Trail capital programmes
- Increased number of commissioning partners including West Lancs BC, the Environment Agency, British Waterways, Preston Community Gateway, Chorley Community Housing and Lancaster CC
- Completion of the mammoth 7km Leeds-Liverpool canal towpath refurbishment using trainees
- Achieved *Constructionline* accreditation and *Achilles* registration

**Key disappointments**

- Public sector funding cuts have made the commissioning market and increasing difficult and competitive one, with our social impact having little impact with current procurement methodologies

**4 Sustainability Services Programme**

Following the conclusion of the large Wigan '100 Businesses' programme in 2010/11, this year has been a year of transition for our Sustainability Services team. This is a transition and diversification that we have coped with well, with a full order book for the current team throughout most of the year, with a similarly strong position going into 2012/13.

The Trust continues to develop our expertise within the health sector whilst increasing our climate change and sustainability work with schools, together with the addition of our first Green Doctor programme and the development of a specialist piece of work to help make connections between local public sector procurers of food and the local producers and processors of food products.

**Key projects and successes**

- The *Wigan Health Economy* project has helped the NHS in Wigan achieve considerable energy and environmental improvements
- The *Sustainable Schools* programme has helped equip the staff and pupils of schools across Wigan and Lancashire with the understanding and skills necessary to reduce their carbon footprint

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- *Wigan Foodsense* is funded through the Rural Development Programme for England
- *Green Doctor* is a partnership with Riverside that is helping residents living in fuel poverty to reduce the cost of heating their homes through the application of low/no cost measures

**Key disappointments**

- Delays linked to ERDF funding have reduced the impact of this team this year
- Inability to engage with Enworks due to restrictive contracting arrangements

**Outcomes and performance measures**

During 2011/12 we achieved the following programme outcomes

- 132 community organisations supported with their projects,
- 8,214 young person days spent working on our projects,
- 21,724 adult days spent actively working on our projects,
- 703 formal qualifications obtained by participants in our projects,
- 45 businesses helped to become more sustainable, reducing costs and sustaining employment,
- 58 schools involved in environmental education and/or alternative curriculum programmes,
- 45 jobs created and 125 safeguarded,
- 1,343 training weeks provided to adults and young people involved in our projects,
- 2,212 tonnes of CO<sub>2</sub> saved,
- 1,578 trees planted,
- 30 hectares of land improved and a further 73 hectares maintained using trainee teams

**Management Systems**

**Environmental Management**

The organisation manages its interaction with the environment through the "Guide to the phased implementation of an environmental management system including the use of environmental performance evaluation" (The British Standard BS 8555) – a phased standard allowing Small Medium Enterprises (although not exclusively) to gain EN ISO 14001 Environmental Management Systems accreditation in six manageable steps

We have spent 2011/12 developing our system from phase 3 to phase 6 and hope to achieve ISO14001 certification in August 2012

We use our Environmental Management System to

- Identify significant environmental aspects and impacts
- Monitor and record the above, initially establishing a baseline then developing a tool to control a reduction in consumption (e.g. paper and utilities), atmospheric emissions (e.g. road fuel) and waste production
- Develop policy for better understanding of organisational direction and good public relations
- Ensure a top level management commitment to environmental issues
- Ensure compliance with relevant legislation and codes of practice, minimising risk to employees, the public and the natural environment
- Ensure adequate control and emergency response procedures and implement action plans to address non-compliance and strengthen controls
- Ensure appropriate training is received throughout the organisation
- Instigate a shift in culture, as will be demanded from an ever changing society
- Identify opportunities for cost savings

**Quality Management**

We have been operating a quality management system in line with the Investors in Excellence (IIE) model since 2007 and undertook our biennial self assessment review during 2011. We have implemented the resulting improvement plan. We also took the decision to develop our system in line with ISO9001 and expect to achieve accreditation in 2013.

We are also an accredited *Investors in People* employer – a standard we have held since 2001



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Our Land Services Team is a registered *Constructionline* provider and we have recently achieved registration to *Achilles* which recognises our high levels of quality, safety and environmental performance within the construction industry

Our Employment & Skills Team has met the quality standards set by *Open Awards* and *City & Guilds* to become an accredited centre and we hope to achieve *Matrix* accreditation for our information, advice and guidance (IAG) provision during 2013

**Health & Safety**

The Trust takes its health & safety responsibility very seriously. Our investment in training is significant, and as a result our accident rates are very low. We commission a 3<sup>rd</sup> party assessment of our H&S performance during 2011, and are managing the implementation of the resulting action plan through a staff committee. During 2011/12 we made a commitment to obtain certification to OHSAS 18001 by 2014

**FINANCIAL REVIEW**

**Overview**

The accounts to March 31 2012 show a total operational programme (charitable activities) of approximately £3.5m (£4m 2011). A surplus of approximately £40k (£140k 2011) is reported on unrestricted funds, which is largely attributable to the continued move away from large scale grant funding to the increasing need to compete for contracts and commissions. The executive will continue to work closely with board to ensure that the trading position in 2012/13 is further improved and adapted in line with the current operating climate.

Direct costs of the operational programme were approximately £3.4m (£3.8m 2011). The Trust's free reserves (unrestricted reserves net of the investment in fixed assets) have risen to £793k (£671k 2011), against a reserves target of £850k, representing three months operating costs.

The subsidiary company has not traded during the year. The Board believes 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 has previously 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. In light of the current economic climate a further review will be carried out during 2012.

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 dependent 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.

**Principle 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.

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**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.

**PLANS FOR THE FUTURE**

Our Business Plan for 2012/13 sets out the following key strategic objectives

- 1 To continue to deliver high quality projects and services that remain relevant to the communities that we serve during this period of austerity and public service contraction
- 2 To find innovative ways to help to bridge the gap between the needs of our most disadvantaged communities and the newly restructured public services,
- 3 To both fully maximise on funding that is available and to develop new and innovative ways of generating the necessary revenue streams,
- 4 To continue to improve on the quality, consistency and efficiency of our work ensuring that we can do more for less

**We will provide the following service during 2012/13**

**Employment & Skills**

Our employment & skills programme consists of a series of services that link together to help tackle worklessness which, have been designed to provide clear progression routes for unemployed people who can enter our programme at various levels. Our services include

- *Futures Centre* – 11 life skills development training including *information, advice and guidance (IAG)*, work preparation support, job search, job brokerage and 'in-work' support services
- *Princes' Trust Team* – a twelve week team focused personal development programme that helps young people aged 16 -24 to improve their skills and confidence in-order to help them progress into employment, training or further education
- *Breakthrough* - an alternative curriculum programme focused on 14-16 year old young people who are excluded or at risk of exclusion. Working with schools, Breakthrough helps develop skills and confidence with the aim of re-integrating young people back into mainstream education or alternative employment and training routes
- *Moving On Moving Up* – a confidence building and personal development programme that uses community based activities designed to help long term benefit claimants re-engage with the labour market
- *Green Energisers* – a short term programme that introduces long term unemployed clients to a range of vocational career options including horticulture, construction and health & social care
- *Intermediate Labour Market* – the development, management and delivery of Intermediate Labour Market projects including Blue Sky and 'wrap around' support packages providing paid work experience to unemployed people
- *Enterprise coaching* – information, advice and support for unemployed people wishing to start up their own enterprise
- *Work experience* – Helping people to find and enjoy suitable paid and voluntary work tasters

**Communities**

Our work with communities is absolutely central to our mode of operation. Our ability to engage with, understand and support communities is what makes Groundwork stand out. We are committed to ensuring that our work supports communities and that we ensure we maximise on the opportunities to deliver community benefit through every project that we embark on. Our Communities team is where we develop and deliver the expertise and tools needed to sustain this approach. Our services include

- *Community Capacity Building & Development* - The provision of training and skills to build the capacity of communities to take a lead in the development of their project, open space or neighbourhood. We will facilitate the development of community organisations and networks through targeted training and support. We will ensure they have the necessary skills to identify their strengths, assets and common concerns, plan and take collective action or participate in local regeneration
- *Community Engagement & Cohesion* - Helping communities to resolve conflict, embrace diversity and build social capital. Our work will seek to encourage active citizenship through local engagement and volunteering and will support the development of social networks. We will increase understanding and trust through intergenerational and cross-cultural learning. We will harness diversity and support communities to resolve conflict and celebrate our collective heritage,
- *Volunteering* We believe in the huge potential of volunteers and aim to provide an organised, reliable offering to our volunteers that both supports our project delivery and provides them with an enriching and worthwhile experience

- *Projects that promote positive health & well-being* We know that the health inequalities between those communities suffering from high degrees of poverty and those that do not are considerable. As such, we are committed to strengthening the health & well-being of the communities that we serve. We will specifically focus on projects that promote healthy eating, increased physical activity, improved levels of mental well-being and reduced levels of social isolation.
- *Projects that empower young people to become more active citizens and positively contribute to their local community* We will deliver programmes of work that help young people to develop their citizenship and life skills and give them the tools to positively engage within their communities. To facilitate this we will ensure that young people have the opportunity to have their voice heard by connecting them with existing forums or developing new forums to ensure they are engaged and contributing to local decision-making processes. We will also support them to become activists for change by helping them to develop the skills needed to plan and deliver projects, which contribute and are valued within their community.

#### **Land services**

The purpose of our Land Services Programme is to support communities to improve their local environment and to create more functional, usable open spaces. We will do this through the provision of technical services including consultation, fundraising, design, contract management and funding management. We will seek to deliver this service in a way that maximises public benefit in the form of increased community capacity, provision of training and employment opportunities, and the co-ordination of local volunteer contributions. We will continue to deliver this function through 3 specific units, namely Landscape Design, Wigan Contracts team and Blue Sky Lancashire.

- *Landscape services*
  - Masterplanning
  - Feasibility studies
  - Site surveys and assessments
  - Sketch designs and visualisation
  - Detailed designs
  - Contract management
  - Technical support for community groups
  - Fundraising and fund management
- *Wigan Contracts Team* – We will provide a high quality landscape improvement and grounds maintenance service working both with our own landscape services team in-order to offer a design and build service, and with partners delivering contracted projects and services to their specification. Importantly, we will use the contracts that we win to provide employment and training opportunities to pre-NEET, NEET and unemployed people.
- *Blue Sky Lancashire* – Blue Sky operates in the same way as our Wigan Contracts Team, delivering the same portfolio of services. However, the key difference is that Blue Sky is focused on reducing re-offending and as such all of its employees are ex-offenders. Based in Preston, it focuses on Lancashire and together with the Wigan Contracts Team allows us to deliver compatibly priced, high quality projects across our operational area.

#### **Sustainability services**

Our Sustainability Services will develop and deliver programmes that strengthen and inspire individuals, communities and organisations by providing the tools and knowledge with which they can reduce their environmental impact whilst influencing others to do the same. The team will work across all sectors providing support to businesses, schools, housing providers and the wider public sector. Specifically the team offers:

- Wigan Business Environment Association (BEA) – a business network for companies in Wigan working to improve their environmental performance,
- Energy efficiency and carbon management advice including Display Energy Certificate assessments,
- ISO14001 /BS8555 Environmental Management Systems,
- Sustainable Schools strategies, including environmental education programmes,
- Sustainability and Climate Change training programmes,
- Domestic & Community energy reduction services including Green Doctor – an in home domestic energy advice service supporting those living in fuel poverty,
- Technical testing including thermal imaging surveys and compressed air testing

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FOR THE YEAR ENDED MARCH 31 2012**

**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 2006. 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.

**OTHER CHARITIES**

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

**CHANGES IN FIXED ASSETS**

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

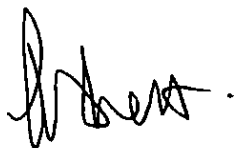
**AUDITORS**

Chittenden Horley Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

**SMALL COMPANY PROVISIONS**

In preparing this report advantage has been taken of the small companies exemption.

Approved by the Board and signed on its behalf by



21.9.12

D Garrett - Director

Date

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF GROUNDWORK LANCASHIRE WEST AND WIGAN**

### **FOR THE YEAR ENDED 31 MARCH 2012**

We have audited the financial statements of Greater Manchester Arts Centre Limited for the year ended March 31 2012, which comprise the Group and Parent Charity Statements of Financial Activities, the Group and the Parent Charitable Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees 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 charitable company and the charitable company's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement, set out in the trustees annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at March 31 2012, and of the group's and parent charity's incoming resources and application of resources, including their income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

#### **Opinion on other matter prescribed by the Companies Act 2006**

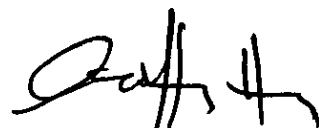
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF GROUNDWORK LANCASHIRE WEST AND WIGAN  
FOR THE YEAR ENDED 31 MARCH 2012**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report



**Geoffrey Horley** – Senior Statutory Auditor  
For and on behalf of

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

Date *November 16 2012*

**GROUNDWORK LANCASHIRE WEST & WIGAN LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income & Expenditure account)**

**FOR THE YEAR ENDED MARCH 31 2012**

	Notes	Unrestricted General Funds £	Designated Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds</b>						
Voluntary Income	2	81,517	-	-	81,517	108,389
<b>Activities for generating funds</b>						
Investment income - bank interest		9,041	-	-	9,041	1,192
Subsidiary company income	4	-	-	-	-	-
<b>Incoming resources from charitable activities</b>						
Project funding	3	3,018,174	-	375,897	3,394,071	4,327,093
Other Incoming resources		8,822	-	-	8,822	8,983
<b>TOTAL INCOMING RESOURCES</b>		<b>3,117,554</b>	<b>-</b>	<b>375,897</b>	<b>3,493,451</b>	<b>4,445,657</b>
<b>RESOURCES EXPENDED</b>						
<b>Costs of generating funds</b>						
Subsidiary company expenditure	4	-	-	-	-	-
		-	-	-	-	-
<b>Charitable activities</b>	5	<b>2,940,522</b>	<b>-</b>	<b>500,578</b>	<b>3,441,100</b>	<b>3,768,557</b>
<b>Governance Costs</b>	5	<b>36,662</b>	<b>-</b>	<b>-</b>	<b>36,662</b>	<b>40,622</b>
<b>TOTAL RESOURCES EXPENDED</b>		<b>2,977,184</b>	<b>-</b>	<b>500,578</b>	<b>3,477,762</b>	<b>3,809,179</b>
<b>NET INCOMING/(OUTGOING) FOR THE YEAR</b>						
(Net income for the period)		140,370	-	(124,680)	15,690	253,306
<b>Transfers between funds</b>		<b>(100,000)</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCOMING/(OUTGOING) AFTER TRANSFERS &amp; REVALUATIONS</b>		<b>40,370</b>	<b>100,000</b>	<b>(124,680)</b>	<b>15,690</b>	<b>253,306</b>
<b>BALANCES BROUGHT FORWARD</b>		<b>737,259</b>	<b>90,000</b>	<b>188,824</b>	<b>1,016,083</b>	<b>762,777</b>
<b>BALANCES CARRIED FORWARD</b>	14	<b>777,629</b>	<b>190,000</b>	<b>64,144</b>	<b>1,031,773</b>	<b>1,016,083</b>

**CONTINUING OPERATIONS**

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

The note on pages 17 to 25 form part of these accounts

## GROUNDWORK LANCASHIRE WEST &amp; WIGAN LIMITED

## COMPANY STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income &amp; Expenditure account)

FOR THE YEAR ENDED MARCH 31 2012

	Notes	Unrestricted			Total	Total
		General	Designated	Restricted	2012	2011
		Funds	Funds	Funds	£	£
		£	£	£		
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income	2	81,517	-	-	81,517	108,389
<i>Activities for generating funds</i>						
Investment income		9,041	-	-	9,041	1,192
<b>Incoming resources from charitable activities</b>						
Project funding	3	3,018,174	-	375,897	3,394,071	3,943,921
Other Incoming resources		8,822	-	-	8,822	8,983
<b>TOTAL INCOMING RESOURCES</b>		<b>3,117,554</b>	<b>-</b>	<b>375,897</b>	<b>3,493,451</b>	<b>4,062,485</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds	5	-	-	-	-	-
Charitable activities	5	2,940,522	-	500,578	3,441,100	3,768,557
Governance costs	5	36,662	-	-	36,662	40,622
<b>TOTAL RESOURCES EXPENDED</b>		<b>2,977,184</b>	<b>-</b>	<b>500,578</b>	<b>3,477,762</b>	<b>3,809,179</b>
<b>NET INCOMING/(OUTGOING)</b>						
<b>FOR THE YEAR</b>						
(Net income for the period)		140,370	-	(124,680)	15,690	253,306
Transfers between funds		(100,000)	100,000	-	-	-
<b>NET INCOMING/(OUTGOING)</b>						
<b>AFTER TRANSFERS &amp; REVALUATIONS</b>		<b>40,370</b>	<b>100,000</b>	<b>(124,680)</b>	<b>15,690</b>	<b>253,306</b>
<b>BALANCES BROUGHT FORWARD</b>		<b>725,386</b>	<b>90,000</b>	<b>188,824</b>	<b>1,004,210</b>	<b>750,904</b>
<b>BALANCES CARRIED FORWARD</b>	14	<b>765,756</b>	<b>190,000</b>	<b>64,144</b>	<b>1,019,900</b>	<b>1,004,210</b>

**CONTINUING OPERATIONS**

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

The note on pages 17 to 25 form part of these accounts



**GROUNDWORK LANCASHIRE WEST & WIGAN LIMITED**  
**CONSOLIDATED BALANCE SHEET AT MARCH 31 2012**


	Notes	2012 £	2012 £	2011 £	2011 £
<b>FIXED ASSETS</b>					
Tangible Assets	8		162,796		144,659
<b>CURRENT ASSETS</b>					
Stocks	10	-		-	
Debtors	11	615,813		879,168	
Cash at Bank and in Hand		<u>705,642</u>		<u>891,232</u>	
		1,321,454		1,770,401	
<b>CREDITORS</b>					
Amounts falling due in one year	12	<u>452,477</u>		<u>898,977</u>	
<b>NET CURRENT ASSETS</b>			<u>868,977</u>		871,424
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,031,773		1,016,083
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		<u>-</u>		<u>-</u>
<b>NET ASSETS</b>			<u>1,031,773</u>		<u>1,016,083</u>
<b>FUNDS</b>					
Unrestricted	14		967,629		827,259
Restricted	14		<u>64,144</u>		<u>188,824</u>
<b>TOTAL FUNDS</b>			<u>1,031,773</u>		<u>1,016,083</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and the Financial Standard for Small Entities (effective April 2008)

The note on pages 17 to 25 form part of these accounts

Approved by the Board of Directors on - 21.9.12

And signed on their behalf by-



DIRECTOR

D. Garrett

Company registration number 1764848

**GROUNDWORK LANCASHIRE WEST & WIGAN LIMITED**  
**COMPANY BALANCE SHEET AT MARCH 31 2012**

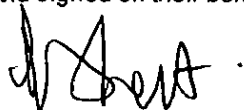
	Notes	2012 £	2012 £	2011 £	2011 £
<b>FIXED ASSETS</b>					
Tangible Assets	8		162,796		144,659
Investment in subsidiary undertaking	9		<u>2</u>		<u>2</u>
			162,798		144,661
<b>CURRENT ASSETS</b>					
Stocks	10	-		-	
Debtors	11	615,813		879,168	
Cash at Bank and in Hand		<u>693,767</u>		<u>879,357</u>	
		1,309,579		1,758,526	
<b>CREDITORS</b>					
Amounts falling due in one year	12	<u>452,477</u>		<u>898,977</u>	
<b>NET CURRENT ASSETS</b>					
			857,102		859,549
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			1,019,900		1,004,210
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		-		-
<b>NET ASSETS</b>					
			<u>1,019,900</u>		<u>1,004,210</u>
<b>FUNDS</b>					
Unrestricted	14		955,756		815,386
Restricted	14		<u>64,144</u>		<u>188,824</u>
<b>TOTAL FUNDS</b>			<u>1,019,900</u>		<u>1,004,210</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and the Financial Standard for Small Entities (effective April 2008)

The note on pages 17 to 25 form part of these accounts

Approved by the Board of Directors on - 21.9.12

And signed on their behalf by-



DIRECTOR

D. Garrett

Company registration number 1764848

**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 on the going concern basis, under the historical cost convention, and comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" (2005) and applicable accounting standards and comply with the Companies Act 2006

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary New Environment CIC on a line by line basis

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

Where the trustees identify future specific expenditure that has to be met from unrestricted funds they set aside the amount in designated funds

Incoming resources

The Trust's incoming resources comprise a mixture of earned income (generally subject to VAT) and grants. In many cases these commercial contracts and grant agreements involve transactions that span more than one accounting period

For all categories of earned income, total incoming resources, for each accounting year is calculated by reference to the extent to which the Trust has met the substantive performance obligations at the balance sheet date

To the extent that the Trust has invoiced or received earned income monies in advance of performance, then such amounts are deducted from total incoming resources and reported as a current liability (income in advance) in the balance sheet

To the extent that the Trust has not invoiced or received earned income monies, but has met contractual performance obligations, then such amounts are added to total incoming resources and reported as a current asset (amounts recoverable on contracts) in the balance sheet

Earned income arising from long-term contracts and contracts for on-going services is recognised by reference to

- The stage of completion of the whole contract
- An assessment of the risks that such contracts will not be completed as expected

The above accounting policy follows the principles set out in Financial Reporting Standard 5 (Application Note G)

With regard to grant income the income is recognised in a particular accounting period to the extent that the Trust is able to demonstrate its entitlement to the income and has control over it

Generally the control test is not considered to be satisfied where

- the grantor has closely specified performance criteria that must be met before the charity can establish entitlement to the grant
- There is some other material condition of grant that the charity has not met at the balance sheet date and where there is doubt about whether it will be met eventually
- The grantor has stipulated that the grant must be expended in a future accounting period

In such cases the grant income is deferred, following the same arrangements as for earned income received in advance

**1 ACCOUNTING POLICIES (continued)**

However where the control test is satisfied then, grant income is recognised in the earliest accounting period that this condition is met

The control test is generally viewed as satisfied when the outstanding matters necessary to confirm entitlement are administrative in nature and under the control of the charity

Furthermore the restriction of the purposes for which the grant may be expended is not of itself regarded as indicative that the charity does not control the income/asset

The accounting policy with regard to grants follows the precepts of the 2005 Charity SORP (paragraphs 94 to 111)

**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 stated net of VAT where charged. When VAT is irrecoverable it is charged directly to cost on the relevant charitable expense

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 all employees once they have been employed for 6 months

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

**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

**1 ACCOUNTING POLICIES (continued)**

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.

**GROUNDWORK LANCASHIRE WEST & WIGAN LIMITED**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31 2012**

	Unrestricted	Restricted	Total	Total
	£	£	2012	2011
			£	£
<b>2 VOLUNTARY INCOME</b>				
Local Government Core funding	81,517	-	81,517	108,389
<b>Per Consolidated accounts</b>	81,517	-	81,517	108,389
Donations - NEC	-	-	-	-
<b>Per company accounts</b>	81,517	-	81,517	108,389

**3 INCOME FROM CHARITABLE ACTIVITIES**

	DEFERRED INCOME				
	RECEIVED	B/F	C/F	TOTAL	2011
	£	£	£	£	£
<b>PROJECT GRANTS &amp; FEES - UNRESTRICTED</b>					
People	1,813,137	476,570	(63,440)	2,226,267	2,494,373
Places	554,014	15,605	4,316	573,935	731,106
Prosperity	151,095	82,444	(15,568)	217,971	238,513
	<u>2,518,246</u>	<u>574,619</u>	<u>(74,692)</u>	<u>3,018,173</u>	<u>3,463,992</u>
<i>March 31 2011</i>	<u>3,847,164</u>	<u>191,447</u>	<u>(574,619)</u>	<u>3,463,992</u>	
<b>PROJECT GRANTS &amp; FEES - RESTRICTED</b>					
People	179,669	-	-	179,669	276,365
Places	187,690	-	-	187,690	203,563
Prosperity	8,538	-	-	8,538	-
	<u>375,897</u>	<u>-</u>	<u>-</u>	<u>375,897</u>	<u>479,928</u>
<i>March 31 2011</i>	<u>479,928</u>	<u>-</u>	<u>-</u>	<u>479,928</u>	
<b>SUMMARY</b>					
People	1,992,806	476,570	(63,440)	2,405,936	2,770,738
Places	741,704	15,605	4,316	761,625	934,669
Prosperity	159,633	82,444	(15,568)	226,509	238,513
	<u>2,894,143</u>	<u>574,619</u>	<u>(74,692)</u>	<u>3,394,071</u>	<u>3,943,920</u>
<i>March 31 2011</i>	<u>4,327,092</u>	<u>191,447</u>	<u>(574,619)</u>	<u>3,943,921</u>	

**The funding came from the following sources**

	Unrestricted	Restricted	Total	2011
	£	£	£	£
Groundwork UK PDF	243,453	-	243,453	185,827
Landfill Tax Scheme	-	8,129	8,129	128,121
Home Office	-	-	-	-
Other Public Agencies	714,051	46,538	760,589	640,681
Big Lottery Fund	86,120	98,918	185,038	113,961
Coalfields Regeneration Trust	9,412	-	9,412	38,523
Local Government	1,900,909	222,312	2,123,221	2,590,856
Private Sector	64,229	-	64,229	195,952
	<u>3,018,174</u>	<u>375,897</u>	<u>3,394,071</u>	<u>3,893,921</u>

GROUNDWORK LANCASHIRE WEST & WIGAN LIMITED  
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31 2012

4 TRADING SUBSIDIARY	2012 £	2011 £
Turnover	-	-
Cost of sales	-	-
Gross profit	-	-
Administration Expenses	-	-
Operating profit/loss	-	-
Interest receivable	-	-
Net profit/loss before taxation	-	-
Taxation	-	-
Net profit/loss after taxation	-	-
Payment under gift aid (eliminated on consolidation)	-	-
Net Profit/Loss for the year	-	-

5 TOTAL RESOURCES EXPENDED	Staff Costs £	Direct costs £	Apportioned Costs £	Total 2012 £	Total 2011 £
<b>Charitable expenditure</b>					
Costs of activities in furtherance of charity's objects					
People	943,587	1,210,426	220,983	2,374,996	2,493,171
Places	353,845	429,764	95,549	879,158	978,068
Prosperity	98,290	58,290	30,366	186,946	297,318
	<u>1,395,722</u>	<u>1,698,480</u>	<u>346,898</u>	<u>3,441,100</u>	<u>3,768,557</u>
Governance costs	<u>21,000</u>	<u>15,662</u>	<u>-</u>	<u>36,662</u>	<u>40,622</u>
Total expenditure	<u>1,416,722</u>	<u>1,714,142</u>	<u>346,898</u>	<u>3,477,762</u>	<u>3,809,179</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 - printing/stationery/subs/publicity/VAT/finance costs	Proportion of income

	People	Places	Prosperity	Total
Premises Costs	52,701	27,788	15,331	95,819
Transport Costs	16,597	15,933	664	33,194
Office Services	88,260	32,448	9,086	129,794
Other Services	63,425	19,380	5,285	88,091
	<u>220,983</u>	<u>95,549</u>	<u>30,366</u>	<u>346,898</u>

**GROUNDWORK LANCASHIRE WEST & WIGAN LIMITED**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31 2012**

**6 NET INCOMING RESOURCES BEFORE TRANSFERS**

This is stated after charging	2012 £	2011 £
Auditors remuneration -		
Audit fees - statutory audit	8,826	10,422
Professional services	-	6,079
Accountancy fees	-	2,901
Depreciation of assets on hire purchase	1,775	3,514
Depreciation of other fixed assets	27,821	18,244
Operating lease rentals	94,279	83,311
Directors' remuneration & expenses	-	-

**7 STAFF COSTS**

The payroll costs of the group were as follows -

Wages & salaries	1,277,247	1,143,536
Social security costs	112,449	92,638
Pension costs - defined contributions	25,633	22,532
Pension costs - defined benefit	1,393	3,229
	<u>1,416,722</u>	<u>1,261,935</u>

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

	Number	Number
Charitable activities	54	53
Generating funds	4	4
	<u>58</u>	<u>57</u>

The charity has higher paid employees falling within the following bands  
£60,000 - £69,999

	<u>1</u>	<u>-</u>
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**8 TANGIBLE FIXED ASSETS**

**GROUP AND COMPANY**

	Long Leasehold Property	Short leasehold improvements	Fixtures & Equipment	Motor Vehicles	Total
Cost	£	£	£	£	£
As at April 1 2011	95,000	38,792	148,494	35,388	317,674
Additions	-	-	852	46,881	47,733
Disposals	-	-	-	-	-
As at March 31 2012	<u>95,000</u>	<u>38,792</u>	<u>149,346</u>	<u>82,269</u>	<u>365,407</u>
<b>Depreciation</b>					
As at April 1 2011	-	38,792	109,210	25,013	173,015
Charge for the year	-	-	12,152	17,444	29,596
On disposals	-	-	-	-	-
As at March 31 2012	<u>-</u>	<u>38,792</u>	<u>121,362</u>	<u>42,457</u>	<u>202,611</u>
<b>Net Book Value</b>					
As at March 31 2012	<u>95,000</u>	<u>-</u>	<u>27,984</u>	<u>39,812</u>	<u>162,796</u>
As at April 1 2011	<u>95,000</u>	<u>-</u>	<u>39,284</u>	<u>10,375</u>	<u>144,659</u>

The net book value assets held under finance leases is £0



**GROUNDWORK LANCASHIRE WEST & WIGAN LIMITED**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31 2012**

**9 FIXED ASSET INVESTMENT**

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

	GROUP 2012 £	GROUP 2011 £	COMPANY 2012 £	COMPANY 2011 £
<b>10 STOCKS</b>				
Stock	-	-	-	-
Work in progress	-	555	-	555
	<u>-</u>	<u>555</u>	<u>-</u>	<u>555</u>

**11 DEBTORS**

Trade debtors	455,905	836,868	455,905	836,868
Other debtors	1,468	422	1,468	422
Amounts recoverable on contracts	135,859	25,153	135,859	25,153
Prepayments	22,580	16,725	22,580	16,725
	<u>615,813</u>	<u>879,168</u>	<u>615,813</u>	<u>879,168</u>

**12 CREDITORS falling due within one year**

Trade creditors	88,771	78,462	88,771	78,462
Other taxation and social security	30,919	74,778	30,919	74,778
Accruals	65,001	50,810	65,001	50,810
Payroll agent - WMBC	115,380	93,594	115,380	93,594
Pension contribution	-	1,561	-	1,561
Income and grants in advance	152,407	599,772	152,407	599,772
Funds held on trust (see note 12)	-	-	-	-
Provision for legal case	-	-	-	-
	<u>452,477</u>	<u>898,977</u>	<u>452,477</u>	<u>898,977</u>

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

Finance leases	-	-	-	-
Provision for legal case	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**GROUNDWORK LANCASHIRE WEST & WIGAN LIMITED**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31 2012**

**14 STATEMENT OF FUNDS**

	Balance 01/04/11 £	Income £	Expenditure £	Transfers £	Balance 31/03/12 £
<b>GROUP</b>					
<b>Unrestricted funds</b>					
General fund	737,259	3,117,554	(2,977,184)	(100,000)	777,629
Designated funds	90,000	-	-	100,000	190,000
	<u>827,259</u>	<u>3,117,554</u>	<u>(2,977,184)</u>	<u>-</u>	<u>967,629</u>
<b>Restricted Funds</b>					
Project funding	125,474	237,182	(360,815)	-	1,842
River Douglas Catchment Pilot	-	41,200	(2,208)	-	38,992
Blackpool Healthy Living Network	19,147	63,928	(83,075)	-	-
LCC Development Fund	28,251	-	(23,251)	-	5,000
Guild Wheel S16 S17	4,001	-	(2,001)	-	2,000
Elnup wood maintenance	9,229	462	(644)	-	9,047
Positive Futures	2,722	33,125	(28,584)	-	7,263
	<u>188,824</u>	<u>375,897</u>	<u>(500,578)</u>	<u>-</u>	<u>64,144</u>
<b>Total Funds</b>	<u>1,016,083</u>	<u>3,493,451</u>	<u>(3,477,762)</u>	<u>-</u>	<u>1,031,773</u>
<b>COMPANY</b>					
<b>Unrestricted funds</b>					
General fund	725,386	3,117,554	(2,977,184)	(100,000)	765,756
Designated funds	90,000	-	-	100,000	190,000
	<u>815,386</u>	<u>3,117,554</u>	<u>(2,977,184)</u>	<u>-</u>	<u>955,756</u>
<b>Restricted Funds</b>					
Project funding - other	125,474	237,182	(360,815)	-	1,842
River Douglas Catchment Pilot	-	41,200	(2,208)	-	38,992
Blackpool Healthy Living Network	19,147	63,928	(83,075)	-	-
LCC Development Fund	28,251	-	(23,251)	-	5,000
Guild Wheel S16 S17	4,001	-	(2,001)	-	2,000
Elnup wood maintenance	9,229	462	(644)	-	9,047
Positive Futures	2,722	33,125	(28,584)	-	7,263
	<u>188,824</u>	<u>375,897</u>	<u>(500,578)</u>	<u>-</u>	<u>64,144</u>
<b>Total Funds</b>	<u>1,004,210</u>	<u>3,493,451</u>	<u>(3,477,762)</u>	<u>-</u>	<u>1,019,900</u>

All project funding carried forward represents funds received in advance which will be used to carry out project work in 2012/13

**GROUNDWORK LANCASHIRE WEST & WIGAN LIMITED**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31 2012**

**Restricted funds**

Blackpool Healthy Living Network	Stockport MBC
River Douglas Catchment Pilot	Defra
Elnup Wood maintenance	Forestry Commission
LCC Development Fund	Preston CC
Guild Wheel S16 S17	Preston CC
Positive Futures	Catch 22

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

Fund balances at March 31 2012 are represented by-	Unrestricted			Total
	General Funds	Designated Funds	Restricted Funds	
		£	£	£
Tangible fixed assets	162,796	-	-	162,796
Investments	2	-	-	2
Current assets	1,055,436	190,000	64,144	1,309,579
Current liabilities	(452,477)	-	-	(452,477)
	<u>765,757</u>	<u>190,000</u>	<u>64,144</u>	<u>1,019,900</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, Blackpool Borough Council, Lancaster City Council, Lancashire County Council, Preston City Council, West Lancashire District 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 sections 466 to 493 of the Corporation Tax Act 2010.

**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 -

	2012	2012	2011	2011
	Land & Buildings	Others	Land & Buildings	Others
	£	£	£	£
Operating leases which expire -				
Within one year	33,200	9,195	6,600	11,466
Between 2 and 5 years	41,250	10,634	50,000	19,961
	<u>74,450</u>	<u>19,829</u>	<u>56,600</u>	<u>31,427</u>

**20 RELATED PARTY TRANSACTIONS**

The charity has entered into a number of contracts with local authorities which have exercised nomination rights for board membership. However, the directors do not consider that these transactions merit disclosure as related party transactions. Although these directors are nominated by the local authorities concerned, they are not mandated to act as directors in the interests of their respective authorities. Their overriding duty, under charity law, is to act in the interests of the charity. Accordingly, the directors consider that the charity's transactions with its partner local authorities are conducted on an arms-length basis, unaffected by any relationship between them.