

Groundwork South West
(A Company Limited by Guarantee)
Report and Financial Statements

31 March 2011

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Report of the trustees for the year ended 31 March 2011

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2011

Reference and administrative details

Charity number:	1008537
Company number:	2632905
Registered Office:	Sandon Court, Queen Alexandra Square, The Millfields, Plymouth, PL1 3JB
Auditors:	Bishop Fleming, 16 Queen Square, Bristol BS1 4NT
Bankers:	National Westminster Bank plc, 6 St Andrews Cross, Plymouth, PL4 0WB
Solicitors:	Nash & Co Beaumont House, Beaumont Park, Plymouth PL4 9BD

Directors and trustees

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

The trustees serving during the year and since the year end were as follows

Mr R E B Gilbert – Chairman	
Mr I Carter	
Mr R J Smyth	
Mr P E Sanders*	
Mr D P Robathan*	
Mrs K R Gilmore*	(Appointed 6 August 2010)
Ms A M Hocking	(Appointed 6 August 2010)
Ms J Le Poidevin	(Appointed 6 August 2010)
Mr J Sparkes	(Appointed 3 June 2011)

*These trustees served on the Finance and Personnel Sub-Committee

Managing Director	Mr A Cormie
Operational Management Team	D Channon - Finance Director J Hickie - Operations Director (West of England) A Picot - Training & Skills Director J Shepherd - Operations Director (West) L Walsh - Development Director M Clegg - Employment Programmes Director
Company Secretary	Mr A Cormie
Members:	The Federation of Groundwork Trusts South Hams District Council Plymouth City Council Evening Herald Devon County Council Imerys Minerals Cornwall Council

Report of the trustees for the year ended 31 March 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Groundwork South West changed its name from Groundwork Devon and Cornwall on 24 June 2009. It is still a company limited by guarantee governed by its Memorandum and Articles of Association which were revised and adopted on 17 April 2009. It is registered with the Charity Commission. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Organisation

The administration of the charity is carried out by a board of trustees comprising a minimum of 2 and a maximum of 20 trustees of whom not more than 15 are nominated and not more than 5 are co-opted trustees. The board meets quarterly and there is a sub-committee covering Finance and Personnel matters.

The day-to-day operation of the charity is controlled by the Managing Director assisted by an Operational Management Team to cover operational matters including, finance, employment and operation and project management.

Appointment of Trustees

The South West is divided by the board into a number of sub-regional areas. The members of the charity within each sub-regional area of the South West may nominate representatives to serve on appropriate sub-regional committees. The members of each sub-regional committee may collectively nominate one of their members to serve on the board of trustees. In addition the local authority members in each sub-regional area may collectively nominate one other member of the sub-regional committee to serve on the board of trustees. Nominations are not valid until the board of trustees has been consulted.

The Federation of Groundwork Trusts may nominate 2 trustees.

Regional partners as agreed by the board (who may or may not be members of the company) are entitled to collectively nominate up to 2 trustees.

The board may also co-opt trustees for their specialist experience.

All members of the board of trustees and the sub-regional committees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

Trustee Induction and Training

New trustees undergo an induction process which briefs them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committees and decision making processes, the business plan and recent financial performance of the charity. They also meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Related parties

The company is part of the Groundwork Federation of Trusts in England, Wales and Northern Ireland, and works with their partners to improve the quality of the local environment, the lives of local people and the success of local businesses in areas in need of investment and support. The members who are in partnership with the company are detailed above.

The charity's wholly owned subsidiary, Groundwork Southwest Enterprises Limited, was established to engage in consultancy, environmental review, ground maintenance and other commercial activities. It may also engage in activities which are similar to those of the charity, but which are performed outside of the charitable area of the Trust.

Risk management

The trustees have a risk management strategy which comprises

- An annual review of the risks that the charity may face,
- The establishment of systems and procedures to mitigate those risks identified in the plan; and

Report of the trustees for the year ended 31 March 2011

Risk management - continued

- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise

The strategy has identified only a few minor risks, other risks being either eliminated or controlled

OBJECTIVES AND ACTIVITIES

The objects of the charity are to work in partnership with people in the South West to enable them to look after their local environment and create a better place in which to live and work

To enable these aims to be met, project officers work closely with these Local Authorities, community groups and other relevant partner organisations. There have been no material changes in these policies since the last report

In 2010/11 the Trust delivered a wide range of social, economic, employment and environmental regeneration projects throughout the South West. These projects can be grouped into six Groundwork themes: Community, Youth, Education, Land, Business and Employment

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to people and places in the South West. The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set

ACHIEVEMENTS AND PERFORMANCE

During 2010/11 the Trust successfully delivered a wide range of projects across its area of operations. Highlights include

Community:

- Horticultural Healing – we continued to help people to recover from mental health illness or acquired brain injury through horticultural and grounds maintenance work at the Royal William Yard in Plymouth
- PURIST - We helped PURIST (a small business making natural beauty products) become a fully independent social enterprise
- Community support projects – Through contracts with Torbay Council and South Hams District Council we supported a range of groups to improve their neighbourhoods through advice and fund raising assistance. In Cornwall we started our three year programme in the Clay Villages in Cornwall helping communities to develop their own green spaces projects. Within 6 months we were already supporting 12 groups
- Community Support projects (West of England) – in Swindon and Bristol community groups have been supported to fundraise, particularly to the Community Spaces fund. One project in Bristol was awarded £50,000 through the fund and a second in Swindon is through to stage 2
- Torbay VCS for the Future – Our lottery funded project to help develop voluntary sector support websites and a volunteering database continued into its second year meeting all the targets agreed with the funder

Report of the trustees for the year ended 31 March 2011

ACHIEVEMENTS AND PERFORMANCE – CONTINUED

- Cadbury, Our Cadbury programme has been so successful that we were awarded a second contract to deliver games across the whole of the West of England with some delivery in the rest of the South West
- Big Local Trust – we secured a contract with Big Local Trust in Toothill, Swindon , to run a consultation programme for residents to identify their preferences for the £1m spend on their area over 10 years

Youth

- Young Space Shapers – worked with young people aged 9 – 14 yrs to get them to engage in the design process in two parks in Weston-Super-Mare and Bristol They were awarded a certificate at the end of the process
- In St Austell, Cornwall we continued to successfully provide a wide range of positive activities and support for young people and The House Youth Centre gained a reputation for high quality and creative youth work In March we secured another year's contract with Cornwall Council with no reduction in contract value
- Sports – We provided a wide range of sports development activities in Torbay, Plymouth and Cornwall through our South West Spaces for Sports programme and we continued to increase usage of the all-weather "Pilgrim Pitch" we manage in Saltash
- Green V – in partnership with BTCV and the Guild of Voluntary Services in Plymouth we completed the final year of a project aimed at engaging young people in environmental volunteering, with a particular focus on enabling those with mental and physical disabilities to take part
- Generations Together – In Plymouth we completed the final year of our project to bring together people of different ages in a range of activities During the project young and older people took part in an inter-generational choir, wreath and table decorating workshops, tea dances, horticultural workshops and training

Land:

- Jigsaw Garden, Drake Circus In June we completed the creation of a community garden in Plymouth city centre Funded by Marks & Spencer the garden was constructed using volunteers and our own employment programme Green Teams
- M&S Greener Living Spaces West of England, In Swindon we secured £60,000 in match funding against the £25,000 fund from M&S to 'green' Theatre Square in Swindon and secured £25,000 match funding for the greening of Dame Emily Park in Bristol which was also awarded £25,000 from the same fund
- M&S 100th Project Celebration fund In Bristol and Weston-Super-Mare we secured £2,000 to run an event to invigorate the original project
- Devonport Park – as part of a wider HLF-funded project our contract with Plymouth City Council to support a community gardening project in the Park was extended until September 2011 and included providing accredited Horticultural training to the local people taking part During the year the project won a host of awards
- We continued to run a volunteer conservation programme undertaking a range of work across Plymouth

Report of the trustees for the year ended 31 March 2011

ACHIEVEMENTS AND PERFORMANCE – CONTINUED

Training, Skills and Education:

- We established a partnership with Groundwork West Midlands to deliver accredited training in Environmental Conservation Level 1 as a satellite delivery centre, to enable us to deliver in house our own accredited land management qualifications for clients on our training and employment programmes. This is now developing into us delivering apprenticeships
- We are continuing to train selected Senior Supervisors to A1 Assessor award level, aiming for an initial number of 11 A1 Assessors, which we think would be the one of highest number of assessors in the Groundwork Federation
- Working with Plymouth University we successfully completed the “I Love Looe” book with Looe Secondary School. We also delivered two history projects with Plymouth schools, through our partnership with Plymouth University

Business:

- We had a positive year delivering a variety of training and consultancy work to businesses. We are working a business model of developing the business in house and then outsourcing delivery through known and trusted consultants
- Successes include
 - Delivering three CTP courses at Devonport Dockyard to train armed forces staff for environmental management jobs,
 - SW Ambulance Trust – auditing work based on a Devon & Cornwall Police Authority model of multi-site audits
 - Other consultancy work from trade unions, housing associations to a national chain of hotels and leisure facilities

Employment.

- 2010/11 saw us focus on significantly developing both the scope and scale of our employment programmes
- We have successfully delivered Future Jobs Fund (FJF) vacancies throughout the South West region. These projects have created employment opportunities for young unemployed people aged between 18 and 24, often across hard to reach rural areas or in areas of deprivation bringing much needed employment to the area. As a result of our outstanding performance we have also secured further rounds which will carry through to 2011/12. Over the entire life of the programme we have provided 907 FJF vacancies to young unemployed people across the South West
- We have delivered a subcontractor agreement to provide Flexible New Deal in Plymouth, Exeter and Torbay. We have delivered the Mandatory Work Referral Activity, providing clients with valuable work experience, skills and a current up to date reference. Although it has been disappointing that the number of participants on this programme fell short of the forecast the contract served well in forming a strong working relationship with Working Links for future contracts as they are also on the DWP framework
- We have delivered a subcontractor agreement to supply Community Task Force in Plymouth. This added to the depth of our employment programme offer. Disappointingly this has proved to be the worst of our projects with fewer than projected referrals. The private sector prime provider for the Trust has blamed Job Centre Plus for poor referral rates. However the Trust has created a good working relationship with this successful DWP framework organisation

Report of the trustees for the year ended 31 March 2011

ACHIEVEMENTS AND PERFORMANCE – CONTINUED

- These programmes have significantly raised the organisation's profile and helped enhance established partnerships. As a result we have been successful in securing a Work Programme Sub-Contract agreement with Prospects Services Limited in CPA11 (Devon, Cornwall, Somerset & Dorset). The subcontract on offer extends for 7 years and has a forecast value of approximately £14.1 million. The contract locations are Plymouth, Exeter, Truro, Torquay, Bournemouth, Weymouth, Bridport and Blandford. Referrals to these areas are forecast to be approximately 2,600 clients per annum.

Schools:

- **nPower** – we ran a consultation and design workshops with school children in Bristol to create a wild life and vegetable garden on the school grounds.

Health:

- **Knowledge Transfer Partnership** – £115,000 funding was secured from the Technology Transfer Board in partnership with the University of the West of England to appoint a Health & Well Being Research Associate for a 3 year period. The appointee has supported staff to apply evaluation and monitoring methods to project development and delivery.

Achievements:

This wide range of activities resulted in the following achievements

- We planted 8,861 trees against a target of 220
- We improved 1,217,576 square metres of land against a target of 48,950 square metres
- We maintained 7,193,625 square metres of land compared to a target of 1,800,000 square metres
- In terms of people actively involved in projects, we achieved 28,188 young person days (target 9,000) and 88,269 adult person days (target 25,000)
- We created 666 jobs as well as safeguarding 156 others compared with targets of 200 and 176 respectively
- We involved 60 schools (target 25) and supported 180 businesses (target 25)
- We helped businesses divert 556 tonnes of waste from landfill against a target of 100 tonnes
- We provided 1,854 training weeks compared with a target of 345
- We progressed 84 projects against a target of 71

Quality control

The Groundwork Federation has adopted the fundamental concepts of excellence, as set out in the European Foundation for Quality Management Excellence Model, setting a goal of meeting minimum standards right across the organisation. To meet these goals the Trust has invested in its staff, training an accredited adviser to support the 'business excellence through action' (beta+ TM) programme.

The Trust undertook a beta+ assessment in December 2010, having worked to the BETA standard for the previous 5 years.

Independent re-audits of both Investors in People (IIP) and British Standard BS8555 have taken place and we have been re-certified to both standards.

The Trust intends to continue its commitment to quality and the promotion of excellence.

FINANCIAL REVIEW

The operations of the Trust during the year resulted in net incoming unrestricted funds (before transfers from restricted funds) of £197,632 (2010 net incoming £89,183). After allowing for transfers from restricted funds of £14,459 the unrestricted funds have increased by £212,091.

The overall net movement of funds into the trust was £364,403 (2010 net movement out of the trust of £109,461). The principal funding sources are shown in note 3 to the accounts.

Report of the trustees for the year ended 31 March 2011

FINANCIAL REVIEW - CONTINUED

The activities of the Trust have substantially increased arising from its involvement in government employment programmes, particularly the Future Jobs Fund. These programmes have contributed £4.2m to turnover.

All grants received are applied to producing high quality sustainable projects, with a contribution to support and development costs which are paid for partly by income from the Department for Communities and Local Government, Local Authorities and local private companies.

The Trust's trading subsidiary traded profitably during the year and an amount of £173,373 will be GiftAided to the charity.

The total unrestricted funds carried forward are £473,012 (2010: £260,921) of which £nil (2010: £nil) has been designated.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish.

The trustees, having regard to the liquidity requirements and to the reserves policy have operated a policy of keeping available funds in an interest bearing deposit account and seek to achieve the best possible rate of interest.

Reserves policy

The charity's trustees have reviewed the Reserves Policy and agreed that a reasonable level of unrestricted reserves is required for the following reasons:

- To absorb short term setbacks such as loss or delays in funding
- To finance working capital needs, such as delays in receipts and to fund the time delays between developing projects, obtaining approval and funds being received
- To cover the working capital requirement to fund the usual retrospective nature of the programme funding which can result in considerable timing differences between expenditure and receipt of funds. This is particularly relevant for the government's new Work Programme where rewards are achieved retrospectively
- To cover the cost of investing in staff training and development in order to improve and develop new services for the Trust
- To cover the cost of developing new services, such as communications, research and quality business information systems
- To set aside funds for appropriate capital assets such as buildings, IT and other equipment

To provide funding to cover any unforeseen down turn in activity, allowing alternative activity to be generated and/or planned down-sizing of activity. In assessing a reasonable target value for unrestricted reserves, the Trustees consider that the charity should hold sufficient 'free reserves' i.e., those unrestricted funds not committed or invested in tangible fixed assets, in the region of nine months of our running costs. The increase from the previous assessment of six months has arisen from the working capital needs of the Work Programme.

In reaching this decision the Trustees are conscious of the need to act responsibly as a charity and to avoid the creation or retention of unnecessary surpluses for which there is no future planned requirement or that bear no relation to our charitable aims. It is the Charity's intention to ensure adequate reserves to operate effectively with our principle aim being to successfully deliver our charitable objectives. It is our intention to develop our Business Plan to include the planned and managed growth of unrestricted reserves.

As at 31 March 2011 the general unrestricted reserves stood at £473,012 which represents six months of our current running costs and which the Trustees aim to build up over the medium term. There were no designated reserves.

Report of the trustees for the year ended 31 March 2011

Development Plans

The Trust now has greatly expanded the number of offices and team bases right across the region and we anticipate opening new offices across Cornwall, Devon and Dorset. We anticipate extending delivery of our services across the West of England, in Swindon, North Somerset and Gloucester.

We have improved our involvement with various regional and sub-regional partnerships, but intend to do more, particularly in relation to the newly establishing Local Enterprise Partnerships. We are also keen to create and strengthen relationships with Housing Associations, who are now a key partner and client for our services. We now have a number of Housing Associations represented by members of our Local Area Boards and main Board.

In Somerset and Dorset, we are developing several new partnerships, including district councils, countryside services, welfare-to-work providers and third sector partners. We are optimistic about securing community and landscape design consultancy through local Registered Social Landlords.

Public sector cuts are likely to increase opportunities for us to tender for contracted works, across a range of services, e.g. land maintenance, positive activities for young people and community engagement focused on delivery of the 'Big Society' agenda.

The Trust continues to employ a full-time Chartered Landscape Architect who is providing advice to a range of organisations.

We have two major thematic areas of development opportunity, which will be pivotal to this Trust in the coming years. The first is securing opportunities to deliver contract under the new 'Work Programme', supporting those furthest from the labour market into employment. The second is 'Skills and Training' where we are transforming our organisational capacity and capability in order to best respond to the potential offered by the Skills Funding Agency. We believe there are great opportunities to combine employment and skills development activities.

As we have been so successful with our delivery of the Future Jobs Fund (FJF), Community Task Force (CTF) and Flexible New Deal (FND), we are confident that we will secure contracts to deliver the forthcoming welfare-to-work DWP 'Work Programme'. As Groundwork UK is now on the government's 'framework' for delivery of DWP 'Employment Related Support Services' for the South West, we anticipate further opportunities to bid for welfare to work focussed contracts. We have also developed good relationships with a number of other SW region Prime Providers who are on the ERSS framework, extending our opportunities to bid for and deliver work commissioned through this method.

We have made a commitment to achieving Trust Matrix accreditation by summer 2011. This will enable us to deliver careers advice and guidance on government (SFA) funded contracts. We are delivering our own in-house information and guidance (IAG) training for our Senior Supervisors. This will enable us to deliver IAG to our employment programme clients to a recognised national standard.

The focus now is to provide a trust wide integrated IAG service with a number of staff trained & processes set up to support IAG delivery.

We are developing a more flexible training delivery model to better support the demands of the new Work Programme, and to better meet the needs of a changing training and skills sector. This includes delivering more outreach training with both VCS and business partners. We have established that there is a market for outreach e.g. as evidenced in local Parish Plans, the trick will be in getting the financial and delivery model right.

Staff and systems are being increasingly developed to move towards meeting public procurement requirements, whilst still acknowledging that charitable grant funding will continue to have a place in

Report of the trustees for the year ended 31 March 2011

Development Plans - continued

supporting delivery of our work This is including staff development in aspects such as delivering accredited training and upgrading many of our processes and accreditations

Profile-raising of our work will continue across our region, utilizing a wide range of tools such as our revised website, client relationship management database, social media, professional photographers, quality exhibition materials and improving regional media relationships

The land at Saltash (4.8 acres) continues to provide us with a great income opportunity After considering various options we are proceeding with a sale of the land for commercial development, currently awaiting final planning permission

The Trust will continue to deliver a wide range of projects and programmes, as in previous years We believe that there are numerous opportunities to secure new work linked to health and well-being, local food growing, apprenticeships and establishing viable social enterprises We believe new lottery programmes will provide additional potential funding for areas of our charitable work We also see the importance of retaining our focus on 'using the environment as a tool' to engage and support people

Completeness of information to auditors

So far as each Trustee listed on page 1 above is aware -

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

Auditors

The Board of Trustees will be recommending to the members at the Annual General Meeting that Bishop Fleming is re-appointed as Auditors of Groundwork South West for the forthcoming year

By order of the board



R E B Gilbert – Chairman
for and on behalf of the Trustees
Date 19 August 2011

Statement of trustees' responsibilities in respect of the financial statements

The trustees (who are also directors of Groundwork South West for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Groundwork South West (A Company Limited by Guarantee)

We have audited the financial statements of Groundwork South West for the year ended 31 March 2011 which comprise the statement of financial activities, the 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 charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Responsibilities of the Members of the Board of Trustees (set out on page 10), 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 auditors under the Companies Act 2006 and section 43 of the Charities Act 1993 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 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 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 consolidated financial statements 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 31 March 2011, and of the group's incoming resources and application of resources, including its 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 1993.

(Continued...)

Independent auditors' report

to the members of Groundwork South West (A Company Limited by Guarantee)

(continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Board of Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements

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 1993 requires us to report to you if, in our opinion

- the parent charitable company has not kept proper and adequate 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



Joseph Scarfe FCA DChA (Senior Statutory Auditor)

For and on behalf of

BISHOP FLEMING
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date 31/12/11

Bishop Fleming is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities incorporating an income and expenditure account

for the year ended 31 March 2011

	<i>Note</i>	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<i>Total 2011</i> £	<i>Total 2010</i> £
Incoming resources					
Incoming resources from generated funds					
Voluntary Income	2	697,106	-	697,106	709,714
Activities for generating funds	2	328,418	-	328,418	114,370
Investment income	2	1,182	-	1,182	730
Incoming resources from charitable activities	3	-	5,417,252	5,417,252	1,194,527
Total incoming resources		1,026,706	5,417,252	6,443,958	2,019,341
Resources expended					
Cost of generating funds					
Fundraising trading costs	4	57,584	-	57,584	70,699
Charitable activities	3	755,801	5,250,481	6,006,282	2,045,988
Governance costs	5	15,689	-	15,689	12,115
Total resources expended		829,074	5,250,481	6,079,555	2,128,802
Net incoming/(outgoing) resources before transfers		197,632	166,771	364,403	(109,461)
Transfers between funds					
Movement on projects	18	14,459	(14,459)	-	-
Net incoming/(outgoing) resources before other recognised gains		212,091	152,312	364,403	(109,461)
Net income (expenditure) for the year		212,091	152,312	364,403	(109,461)
Net movement in funds		212,091	152,312	364,403	(109,461)
Fund balances brought forward at 1 April 2010		260,921	280,018	540,939	650,400
Fund balances carried forward at 31 March 2011		473,012	432,330	905,342	540,939

The statement of financial activities includes all gains and losses recognised in the year

All incoming resources and resources expended derive from continuing activities

Consolidated and charity balance sheet

at 31 March 2011

	<i>Note</i>	<i>Group</i> <i>2011</i> £	<i>2010</i> £	<i>Charity</i> <i>2011</i> £	<i>2010</i> £
Fixed assets					
Tangible assets	9	802,015	688,169	659,780	634,805
Investments	10	-	-	100	100
		<u>802,015</u>	<u>688,169</u>	<u>659,880</u>	<u>634,905</u>
Current assets					
Stocks	11	-	7,233	-	7,233
Debtors	13	766,155	403,365	908,708	462,121
Cash at bank and in hand		157,627	466,365	156,953	460,618
		<u>923,782</u>	<u>876,963</u>	<u>1,065,661</u>	<u>929,972</u>
Creditors' amounts falling due within one year	14	<u>400,247</u>	<u>568,085</u>	<u>400,247</u>	<u>568,085</u>
Net current assets		<u>523,535</u>	<u>308,878</u>	<u>665,414</u>	<u>361,887</u>
Total assets less current liabilities		<u>1,325,550</u>	<u>997,047</u>	<u>1,325,294</u>	<u>996,792</u>
Creditors: amounts falling due after more than one year	15	<u>420,208</u>	<u>456,108</u>	<u>420,208</u>	<u>456,108</u>
Net assets		<u>905,342</u>	<u>540,939</u>	<u>905,086</u>	<u>540,684</u>
Funds					
Unrestricted funds		473,012	260,921	472,756	260,666
Restricted	18	432,330	280,018	432,330	280,018
Total funds		<u>905,342</u>	<u>540,939</u>	<u>905,086</u>	<u>540,684</u>

These financial statements were approved by the board of trustees on 19 August 2011 and were signed on its behalf by



R E B Gilbert
Chairman

Notes to the financial statements

for the year ended 31 March 2011

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK accounting standards and the Companies Act 2006

Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary Groundwork South West Enterprise Limited. In accordance with Section 230(4) of the Companies Act 2006 and paragraph 397 of SORP 2005, Groundwork South West (A Company Limited by Guarantee) has taken advantage of the exemptions and has not presented a separate Statement of Financial Activities

Fund accounting

Unrestricted general funds are available for use at the discretion of the directors in furtherance of the general objectives of the Trust

The trustees may set aside part of the charity's unrestricted funds to be used for particular purposes in the future. Such sums are described as "designated funds" and should be accounted for as part of the charity's unrestricted funds. The trustees have the power to reallocate such funds within the unrestricted funds unless and until expended

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 18 to the financial statements

All income and expenditure is shown in the Statement of Financial Activities on page 13

Incoming resources

Revenue based grants are credited to the Statement of Financial Activities in the period to which they relate

Voluntary income including donations, gifts and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when

- The donor specifies that the grant or donation must only be used in future accounting periods, or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement

Income from commercial trading activities is recognised as earned (as the related goods and services are provided)

Investment income is recognised on a receivable basis

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when performance related grants are received in advance of the performances or event to which they relate

Notes to the financial statements

for the year ended 31 March 2011

1. Accounting policies (continued)

Gifts in kind

Gifts in kind are recognised as income at the estimated value to the charity. The value of services provided by volunteers is not included within these financial statements.

Resources expended

The cost headings comprise expenditure, including staff costs, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with use of the resources.

Support costs comprise all services supplied centrally identifiable as wholly or mainly in support of charitable expenditure and include an appropriate proportion of general overheads.

Central overheads are allocated on the basis of their use with the aim of ensuring that those costs remaining within the administration relate to the management of the Trust's assets, organisational administration and compliance with constitutional and statutory requirements.

Capital grants

Capital based government grants are included within restricted funds in the balance sheet and credited to trading income over the estimated useful economic life of the assets to which they relate.

Cash flow statement

The company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard No 1 on the grounds of its size.

Stock and work in progress

Resources expended on incomplete projects have been incorporated within the SOFA under the accruals concept. These costs have been matched with incoming resources received in the following period and hence no work in progress has been recorded at the year end. Stocks are valued at the lower of cost and net realisable value.

Pension costs

The company operates a defined contributory personal pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged represents the contributions payable to the scheme in respect of the accounting period.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors.

Rentals payable are apportioned between the finance element, which is charged to the income and expenditure, and the capital element which reduces the outstanding obligation for future payments.

All other leases are accounted for as "operating leases" and rental charges are charged to the Statement of Financial Activities on a straight line basis over the life of the lease.

Notes to the financial statements

for the year ended 31 March 2011

1. Accounting policies (continued)

Fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Freehold land is not depreciated. It is the company's practice to maintain its long leasehold building in a continual state of sound repair. The directors review the valuation of the building annually for impairment in its value and as they consider that the residual value at the end of its useful economic life will not be less than its present carrying value, no depreciation is chargeable. Depreciation is provided by the company on a reducing balance basis to write off the cost of tangible fixed assets over their estimated useful economic lives as follows:

Motor vehicles	-	25%
Furniture and fittings	-	20%
Tools and Equipment	-	25%
Computers	-	40%

2. Incoming resources from generated funds

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total 2011</i>	<i>Total 2010</i>
	£	£	£	£
<i>Voluntary income</i>				
Grants for core funding	684,466	-	684,466	690,456
Gifts in kind - Donated assets	-	-	-	16,098
Other	12,640	-	12,640	3,160
	<u>697,106</u>	<u>-</u>	<u>697,106</u>	<u>709,714</u>
<i>Activities for generating funds</i>				
Fundraising trading income	298,779	-	298,779	113,997
Rental income	29,639	-	29,639	373
	<u>328,418</u>	<u>-</u>	<u>328,418</u>	<u>114,370</u>
<i>Investment income</i>				
Bank interest	1,182	-	1,182	730
	<u>1,182</u>	<u>-</u>	<u>1,182</u>	<u>730</u>

Notes to the financial statements

for the year ended 31 March 2011

3. Charitable activities

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total 2011</i>	<i>Total 2010</i>
	£	£	£	£
<i>Income was received for:</i>				
Community projects	-	408,997	408,997	386,545
Land projects	-	115,293	115,293	185,676
Employment projects	-	4,321,627	4,321,627	447,934
Education projects	-	15,273	15,273	14,664
Business projects	-	161,048	161,048	25,215
Youth projects	-	150,715	150,715	133,493
Development projects	-	244,299	244,299	1,000
	-	5,417,252	5,417,252	1,194,527

Income from projects was provided by:

Central Government	-	4,405,918	4,405,918	56,000
Public agencies	-	156,858	156,858	47,473
Local authorities	-	199,469	199,469	297,882
European Union	-	39,079	39,079	426
National Lottery	-	173,652	173,652	91,913
Private sector	-	442,276	442,276	701,133
	-	5,417,252	5,417,252	1,194,527

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total 2011</i>	<i>Total 2010</i>
	£	£	£	£
<i>Expenditure on projects</i>				
Community projects	137,819	426,998	564,817	574,305
Land projects	1,356	148,159	149,515	247,259
Employment projects	225,832	4,281,045	4,506,877	492,748
Education projects	69,605	15,273	84,878	30,383
Business projects	61,400	151,369	212,769	121,866
Youth projects	43,072	158,411	201,483	189,329
Development projects	145,382	69,226	214,608	171,794
Other central costs	71,335	-	71,335	218,304
	755,801	5,250,481	6,006,282	2,045,988

Notes to the financial statements

for the year ended 31 March 2011

3. Charitable activities (continued)

Expenditure on projects comprised

	<i>Direct cost of activities</i>	<i>Grant funding of activities</i>	<i>Support costs</i>	<i>Total 2011</i>	<i>2010</i>
	£	£	£	£	£
Community projects	485,865	-	86,153	572,018	574,305
Land projects	189,692	-	10,206	199,898	247,259
Employment projects	4,062,678	-	444,199	4,506,877	492,748
Education projects	74,873	-	10,005	84,878	30,383
Business projects	195,822	-	16,947	212,769	121,866
Youth projects	171,223	-	30,260	201,483	189,329
Development projects	214,608	-	-	214,608	171,794
Other central costs	13,751	-	-	13,751	218,304
	<u>5,408,512</u>	<u>-</u>	<u>597,770</u>	<u>6,006,282</u>	<u>2,045,988</u>

4. Cost of generating funds

	<i>2011</i>	<i>2010</i>
	£	£
<i>Fundraising trading costs</i>		
Staff costs	12,446	17,289
Other direct costs of activities	44,188	49,109
Support costs	950	4,301
	<u>57,584</u>	<u>70,699</u>

5. Governance costs

	<i>2011</i>	<i>2010</i>
	£	£
Trustees expenses	3,939	2,365
Audit fees	11,750	9,750
	<u>15,689</u>	<u>12,115</u>

6. Staff costs

	<i>2011</i>	<i>2010</i>
	£	£
Salaries and wages	3,861,260	1,123,713
Social security costs	212,604	97,148
Pension costs	16,033	17,181
	<u>4,089,897</u>	<u>1,228,042</u>

Notes to the financial statements

for the year ended 31 March 2011

6. Staff costs (continued)

The average number of employees on the payroll was 405 (2010 - 74) The average number of employees during the year, calculated on the basis of full time equivalents was as follows

	2011	2010
	No	No
Chief Executive	1	1
Project staff	66	29
Administration and support	17	12
Employment programmes	309	19
	<u>393</u>	<u>61</u>

There was 1 employee whose emoluments exceeded £60,000 in the year (2010 - none)

7. Trustees

Trustees were not remunerated for any services in the year During the year 6 trustees were reimbursed for travel and accommodation costs amounting to £3,939 (2010 - 7 trustees were reimbursed a total of £2,365 for travel costs)

8. Net incoming/(outgoing) resources before transfers

	2011	2010
	£	£
The net incoming / (outgoing) resources before transfers is stated after charging		
Depreciation	53,882	11,425
Loss on disposals of owned assets	881	9,623
Auditors remuneration - audit services	11,750	9,750
Operating lease rentals - plant and machinery	14,616	11,295
- land and buildings	75,864	51,008
	<u></u>	<u></u>

Notes to the financial statements

for the year ended 31 March 2011

9. Tangible fixed assets

<i>Group</i>	<i>Land and Buildings £</i>	<i>Tools & equipment £</i>	<i>Fixtures & fittings £</i>	<i>Computer equipment £</i>	<i>Motor vehicles £</i>	<i>Group Total £</i>
Cost or valuation:						
At 1 April 2010	579,717	20,360	54,457	16,469	101,673	772,676
Additions	24,304	-	-	21,400	128,924	174,628
Disposals	-	-	-	(10,076)	(8,719)	(18,795)
At 31 March 2011	604,021	20,360	54,457	27,793	221,878	928,509
Depreciation:						
At 1 April 2010	-	18,015	26,240	14,253	25,999	84,507
Charge for the year	-	593	4,442	9,348	39,439	53,822
Eliminated on disposals	-	-	-	(9,829)	(2,006)	(11,835)
At 31 March 2011	-	18,608	30,682	13,772	63,432	126,494
Net book value.						
At 31 March 2011	604,021	1,752	23,775	14,021	158,446	802,015
At 31 March 2010	579,717	2,345	28,217	2,216	75,674	688,169
Charity	<i>Land and Buildings £</i>	<i>Tools & equipment £</i>	<i>Fixtures & fittings £</i>	<i>Computer equipment £</i>	<i>Motor vehicles £</i>	<i>Charity Total £</i>
Cost or valuation:						
At 1 April 2010	579,717	20,360	54,457	16,469	46,161	717,164
Additions	24,304	-	-	21,400	-	45,704
Disposals	-	-	-	(10,076)	(2,700)	(12,776)
At 31 March 2011	604,021	20,360	54,457	27,793	43,461	750,092
Depreciation:						
At 1 April 2010	-	18,015	26,240	14,253	23,851	82,359
Charge for the year	-	593	4,442	9,348	5,405	19,788
Eliminated on disposals	-	-	-	(9,829)	(2,006)	(11,835)
At 31 March 2011	-	18,608	30,682	13,772	27,250	90,312
Net book value:						
At 31 March 2011	604,021	1,752	23,775	14,021	16,211	659,780
At 31 March 2010	579,717	2,345	28,217	2,216	22,310	634,805

Notes to the financial statements

for the year ended 31 March 2011

9. Tangible fixed assets (continued)

Analysis of Land and buildings

	<i>Group</i>		<i>Charity</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Freehold	88,145	81,724	88,145	81,724
Long leasehold (over 50 years)	515,876	497,993	515,876	497,993
	<u>604,021</u>	<u>579,717</u>	<u>604,021</u>	<u>579,717</u>

Non-depreciated assets

	<i>Group</i>		<i>Charity</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Land	88,145	81,724	88,145	81,724

10. Investments

	<i>Group</i>		<i>Charity</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Investment in subsidiary at cost	-	-	100	100

11. Stocks

	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Stocks held for resale	-	7,233

Notes to the financial statements

for the year ended 31 March 2011

12. Subsidiary company

	<i>Principal activity</i>	<i>Holding</i>	<i>Proportion held</i>
Groundwork South West Enterprises Limited	Environmental projects, consultancy, environmental reviews, vehicle hire and ground maintenance services	Ordinary shares	100%

Results and net assets of trading subsidiary

	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Turnover	298,779	82,567
Administrative expenses	(122,960)	(70,699)
Operating profit	175,819	11,868
Interest payable and similar charges	(178,819)	(11,868)
Profit retained for the financial year	-	-
	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Retained profit for year	-	-
Retained profit brought forward	255	255
Retained profit carried forward	255	255
Assets	145,179	59,111
Liabilities	144,824	58,756
Total net assets	355	355
Share capital and reserves	355	355

13. Debtors

	<i>Group</i>		<i>Charity</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Trade debtors	278,068	181,114	278,068	181,114
Amount due from subsidiary undertaking	-	-	144,824	58,756
Other debtors	48,131	32,272	45,860	32,272
Accrued income	439,956	189,979	439,956	189,979
	766,155	403,365	908,708	462,121

Notes to the financial statements

for the year ended 31 March 2011

14. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Charity</i>	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	265,343	226,274	265,343	226,274
Deferred income (note 16)	-	181,870	-	181,870
Accruals	44,807	80,591	44,807	80,591
Other creditors	54,197	43,450	54,197	43,450
Bank loans	35,900	35,900	35,900	35,900
	<u>400,247</u>	<u>568,085</u>	<u>400,247</u>	<u>568,085</u>

15. Creditors: amounts falling due after more than one year

	<i>Group</i>		<i>Charity</i>	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	420,208	456,108	420,208	456,108
	<u>420,208</u>	<u>456,108</u>	<u>420,208</u>	<u>456,108</u>

The bank loans are repayable as follows

	<i>Group</i>		<i>Charity</i>	
	2011	2010	2011	2010
	£	£	£	£
Due within one year	35,900	35,900	35,900	35,900
Due within two to five years	388,750	388,750	388,750	388,750
Due after more than five years	4,442	31,458	4,442	31,458
	<u>420,208</u>	<u>456,108</u>	<u>420,208</u>	<u>456,108</u>

The charity has two bank loans

£137,000 repayable by instalments over 10 years which is secured by way of a fixed charge over the long leasehold property at Sandon Court, The Millfields, Plymouth Interest is charged at 2.5% per annum over Base Rate The balance outstanding on this loan as at 31 March 2011 was £122,158

£358,000 repayable over 5 years by monthly instalments and a final instalment of £248,850 The lender has indicated that this final instalment will be repayable by instalments over fifteen years but this is subject to formal agreement The loan is secured by way of a fixed charge over the long leasehold property at Sandon Court, The Millfields, Plymouth Interest is charged at 2.5% per annum over Base Rate The balance outstanding on this loan as at 31 March 2011 was £333,950

Notes to the financial statements

for the year ended 31 March 2011

16. Deferred income

	<i>Balance 1 April 2010</i>	<i>Released from previous year</i>	<i>Deferred in current year</i>	<i>Balance 31 March 2011</i>
	£	£	£	£
Group and charity				
Grants	45,000	45,000	-	-
Fees	136,870	136,870	-	-
	<u>181,870</u>	<u>181,870</u>	<u>-</u>	<u>-</u>

17. Annual commitments under non-cancellable operating leases are as follows

	<i>2011</i>		<i>2010</i>	
	<i>Land and Buildings</i>	<i>Other</i>	<i>Land and Buildings</i>	<i>Other</i>
	£	£	£	£
Operating leases which expire				
Within one year	-	1,507	-	-
In two to five years	7,734	8,148	45,879	13,818
In over five years	-	-	-	1,064
	<u>7,734</u>	<u>9,655</u>	<u>45,879</u>	<u>14,882</u>

18. Restricted funds

Restricted funds represent separately identifiable funds for individual projects and the movements are summarised as follows

	<i>At 1 April 2010 after re-classification</i>	<i>Incoming resources</i>	<i>Outgoing resources</i>	<i>Transfers (to) / from unrestricted fund</i>	<i>At 31 March 2011</i>
	£	£	£	£	£
Community projects	123,938	408,997	426,998	(5,473)	100,464
Land projects	92,107	115,293	148,159	-	59,241
Employment projects	18,739	4,321,627	4,281,045	6,778	66,099
Education projects	-	15,273	15,273	-	-
Business projects	17,230	161,048	151,369	(15,312)	11,597
Youth projects	21,108	150,715	158,411	-	13,412
Development projects	6,896	244,299	69,226	(452)	181,517
	<u>280,018</u>	<u>5,417,252</u>	<u>5,250,481</u>	<u>(14,459)</u>	<u>432,330</u>

Two projects were re-classified as at 1 April 2010 following a review of their principle aims. The trust has been engaged in 129 projects during the year. A brief summary of the above themes is as follows

Notes to the financial statements

for the year ended 31 March 2011

18. Restricted funds - continued

Community projects

This theme involves working with people to help them improve both where they live and their quality of life including helping them to have meaningful involvement in the development of their local area. Funding for these projects comes from a variety of sources including public agencies, local authorities and the private sector. It includes the final instalment of the £170,000 funding received from the charity "v" towards a project which encourages environmental volunteering for 16 to 25 year olds and an amount of £61,917 received from the BIG Lottery Fund for a programme working in partnership to develop the capacity of the Voluntary and Community Sector in Torbay.

Land projects

This involves our landscape architects and project staff working with people to create or improve community gardens, parks, play areas, footpaths and natural spaces. Funding for these projects comes from a variety of sources including public agencies, local authorities, landfill tax and the private sector. This theme includes a variety of projects, the most significant ones being gardening at Devonport Park Plymouth, improvements to Coombe Park Play Area, Kingsand, Cornwall and at Radford Woods, Plymouth and the regeneration of Theatre Square, Swindon.

Employment projects

Our employment projects encompass government initiatives such as Future Jobs Fund, Flexible New Deal and Community Task Force which are funded by government agencies to break the 'no experience, no work' cycle. We have created jobs throughout the region which have improved the skills, confidence and employability of jobseekers and improve the quality of life for local communities. The support we have provided has helped young people achieve qualifications, secured the personal support they needed to succeed whilst creating places that are cleaner and greener. On average we have employed 309 Future Jobs Fund participants during the year with a maximum number of 436 employees. Funding for employment projects derives principally from government sources.

Education projects

The trust employed an Education and Training Manager who worked with schools to deliver innovative environmental education which also re-engaged disaffected young people into education. Our work with children and young people in school links to the national curriculum and helps to illustrate how our individual actions can make a difference to the local and global environment. Funding for these projects comes from a variety of sources including public agencies, local authorities, National Lottery and the private sector.

Business projects

Our Business teams provide a range of services to businesses, both large and small. They specifically help improve our clients' environmental performance whilst cutting their costs. The funding for this theme comes from the private sector.

Youth projects

Our Youth projects help young people to participate in their local communities and provide a range of positive activities, building confidence and self-esteem. Funding principally comes from local authorities and the private sector. The House is a pioneering, aspirational initiative to transform youth provision in St

Notes to the financial statements

for the year ended 31 March 2011

18. Restricted funds - continued

Austell The town is the largest conurbation in Cornwall, but until Groundwork began working there in 2007 through the Youth Works programme, there had been no youth work provision and no youth centre for over 15 years. Through a strong partnership with the local council and continuing support from Cornwall Council a dedicated Youth Centre has been created and sustained. In respect of this project the table above includes outgoing resources of £157,930 incurred in the year ended 31 March 2011 which was covered by £165,113 incoming resources leaving £7,183 to be carried forward.

Development projects

The Trust received a grant of £129,000 from the Transition Fund funded by the Department of Health. This funding will enable the Trust to purchase new IT equipment, provide training for staff, restructure the organization and re-design the delivery of services, revise marketing materials, secure new premises and cover relocation costs. The trust also commits funding to develop new relationships and new projects throughout the region. In addition to the Transition Fund an amount of £115,299 was received for development work.

19. Landfill tax

The Trust is a registered Environmental Body, regulated by ENTRUST, the regulator under the Landfill Tax Regulations. The Trust is entitled to collect funds from landfill operators and to administer projects which will be carried out using those funds.

Landfill tax funds are restricted and can only be used for projects approved by ENTRUST. The projects can be carried out by the Trust or by third parties but responsibility for monitoring performance and for compliance with the landfill tax regulations remains with the Trust which effectively grants contracts to carry out works against specification. All landfill tax monies are accounted for separately from other funds.

	£
Balance of landfill tax monies held by the Trust as at 1 April 2010	35,887
Allocated to projects	603
Balance of landfill tax monies held by the Trust as at 31 March 2011	<u>35,284</u>

The balance of landfill tax monies held by the Trust forms part of the amount of £157,627 shown in the group balance sheet as cash at bank and in hand. Corresponding entries are included in Other Creditors and Restricted Funds.

20. Commitments

Commitments at the end of the financial year for which no provision has been made:

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
Authorised but not contracted	-	-	-	-

Notes to the financial statements

for the year ended 31 March 2011

21. Pension scheme

The company operates a funded, defined contribution, contributory personal pension scheme. At 31 March 2011, £2,386 (2010: £1,651) of contributions were due to the scheme in respect of the company.

22. Reconciliation of movement of funds

<i>Group</i>	<i>Balance 1 April 2010 £</i>	<i>Movement in year £</i>	<i>Balance 31 March 2011 £</i>
Unrestricted funds	260,921	212,091	473,012
Restricted funds	280,018	152,312	432,330
	<u>540,939</u>	<u>364,403</u>	<u>905,342</u>

<i>Charity</i>	<i>Balance 1 April 2010 £</i>	<i>Movement in year £</i>	<i>Balance 31 March 2011 £</i>
Unrestricted funds	260,666	212,090	472,756
Restricted funds	280,018	152,312	432,330
	<u>540,684</u>	<u>364,402</u>	<u>905,086</u>

All funds are raised and given for specific purposes on projects and are output related. These outputs incorporate fees, consultancies, projects spend and implementation work. The conditions governing the income or grants restrict these funds and, when these conditions have been met, the earned income may become unrestricted and used as a contribution to the Trust's unrestricted funds. The Trust's unrestricted funds can be used, with the approval of the Trust's Board, to fund any expenditure relating to projects or general running costs which fall within the Trust's general aims and objectives.

24. Analysis of group net assets between funds

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total 2011 £</i>
Tangible fixed assets	802,015	-	802,015
Cash and other net current assets	91,205	432,330	523,535
Long term liabilities	(420,208)	-	(420,208)
	<u>473,012</u>	<u>432,330</u>	<u>905,342</u>