

2632905



Francis Clark

CHARTERED ACCOUNTANTS

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

31 March 2009

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COMPANIES HOUSE

Report of the trustees for the year ended 31 March 2009

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2009.

Reference and administrative details

Charity number:	1008537
Company number:	2632905
Principal Office:	First Floor, Lyster Court, Queen Alexandra Square, The Millfields, Plymouth, PL1 3JB
Registered Office:	First Floor, Lyster Court, Queen Alexandra Square, The Millfields, Plymouth, PL1 3JB
Auditors:	Francis Clark, Vantage Point, Woodwater Park, Pynes Hill, Exeter, EX2 5FD
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	(Appointed 20 February 2009)
Mr M A West	Nominated by The Evening Herald (resigned 22 May 2009)
Mr M P Gilbert*	(Died 22 October 2008)
Mr C Varcoe	Nominated by Imerys Minerals (resigned 22 May 2009)
Cllr P W Hitchins	Nominated by South Hams District Council (resigned 22 May 2009)
Ald. D Dicker*	Nominated by Plymouth City Council (resigned 22 May 2009)
Cllr. M Leaves	Nominated by Plymouth City Council (resigned 20 February 2009)
Mrs. S Hooper	(Resigned 22 May 2009)
Cllr. R Austin	Nominated by Caradon District Council (resigned 22 May 2009)
Cllr C Stocks*	Nominated by Torbay Council (resigned 22 May 2009)
Mr J M Crow	(Resigned 22 May 2009)
Cllr F Knight*	(Resigned 22 May 2009)
Cllr E Parkin	Nominated by Cornwall County Council (resigned 22 May 2009)
Mr I Carter	(Appointed 22 May 2009)
Mrs S MacDougall	(Appointed 22 May 2009)
Mr R J Smyth	(Appointed 22 May 2009)
Mr P E Sanders	(Appointed 22 May 2009)
Mr D P Robathan	(Appointed 22 May 2009)

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

Executive Director	Mr C J Toogood (resigned 28 February 2009)
Managing Director	Mr A Cormie (appointed 1 March 2009)



Report of the trustees for the year ended 31 March 2009

Operational Management Team

D Channon - Finance Director
J Hickie - Operations Director (West of England)
A Picot - Commercial Director
J Shepherd - Operations Director (West)
L Walsh - Development Director

Company Secretary

Mr A Cormie (appointed 22 May 2009)
Bondlaw Secretaries Limited, Ballard House,
West Hoe Road, Plymouth. PL1 3AE (resigned 22 May 2009)

Members:

The Federation of Groundwork Trusts
South Hams District Council
Plymouth City Council
Evening Herald
Devon County Council
Imerys Minerals
Cornwall Council

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Groundwork South West changed its name from Groundwork Devon and Cornwall on 24 June 2009. It is a company limited by guarantee governed by its Memorandum and Articles of Association which were 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 4 to the accounts.



Report of the trustees for the year ended 31 March 2009

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 also engages 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
- 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 2008/09 the Trust delivered a wide range of social, economic and environmental regeneration projects predominantly in Torbay, Plymouth, Caradon and Restormel. 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. 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.



Report of the trustees for the year ended 31 March 2009

ACHIEVEMENTS AND PERFORMANCE

During 2008/09 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. During the year, clients have gone on to move out of supported housing and into their own flats, moved into employment and training and we are now looking to expand the project into Cornwall
- Devonport Park – as part of a wider HLF-funded project we were engaged by Plymouth City Council to develop a community gardening project in the Park and over the year many local people have taken part in improving the existing flower beds and creating new ones.
- Based in Torbay we started a programme providing inflatable 'It's a Knockout' equipment to community groups and businesses in the south west and this has proved extremely popular.

Youth:

- In Cornwall we continued to provide a wide range of positive activities and support for young people in St Austell and in February 2009 took over the former YMCA building to create the first youth centre in St Austell for over 15 years. Critical to this was securing a contract with Cornwall County Council to deliver youth work in the town.
- Sports – We provided a wide range of sports development activities in Torbay, Plymouth and Cornwall through our South West Spaces for Sports programme.
- Green V – in partnership with BTCV and the Guild of Voluntary Services in Plymouth we started a new project aimed at engaging young people in environmental volunteering, with a particular focus on enabling those with mental and physical disabilities to take part.

Land:

- Pilgrim Pitch, Saltash – we completed our first year of running the new All-Weather Pitch and Changing Rooms at Saltmill Park, Saltash and usage increased so substantially that by the end of the year the pitch was completely booked during weekday evenings. We also developed links with the Racial Equality Council to successfully increase Black & Minority Ethnic usage of the pitch.
- Woodland Fort, Plymouth – we continued to improve and manage the landscape of the Scheduled Ancient Monument.
- Plymouth Local Nature Reserves – The Trust continued to run a team of volunteers undertaking a range of conservation work across the Local Nature Reserves.
- In Newquay we substantially completed two new play areas, including Trenance Valley Action Park – a more active and adventurous park designed by young people for young people.



Report of the trustees for the year ended 31 March 2009

ACHIEVEMENTS AND PERFORMANCE – CONTINUED

Education:

- Past on Your Doorstep – We successfully completed our education project looking at the impact of the Navy and Dockyard on the environment of Plymouth. Highlights of the project included young people producing a film of the Dockyard Wall starting to be demolished and production of a book “The Day the Digger Ate our Wall” for distribution to all Devonport schools.
- The Trust was also commissioned by Devonport Regeneration Community Partnership to deliver a series of sustainability workshops in local primary schools and we have a partnership with Plymouth University to develop new educational books on a range of environmental themes.

Business:

- Envision - We successfully completed all three Envision projects in Cornwall, South Devon and Teignbridge and have successfully met all our targets providing 53 companies during 2008/09 with substantial support.

Employment:

- Completion of the DEAP project, working with Devonport Regeneration Community Partnership to deliver employment training for residents of Devonport, Plymouth..
- Social Enterprise – we launched our Purist enterprise providing employment to local people through producing and retailing a range of natural soap and body products using sustainable ingredients, locally sourced (where possible) which support the local economy and have a low impact on the environment.

Achievements:

This wide range of activities resulted in the following achievements:

- We planted 21 trees.
- We improved 10,449 square metres of land
- We maintained 2,388,895 square metres of land.
- In terms of people actively involved in projects, we achieved 10,422 young person days and 5,940 adult person days.
- We involved 55 schools and supported 441 businesses.
- We helped businesses avoid or save 3,740 tonnes of CO² emissions.
- We helped businesses divert 1,207 tonnes of waste from landfill.
- We provided 263 training weeks.
- We progressed 85 projects

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 its first beta+ assessment in September 2006, having worked to the BETA standard for the previous 4 years. A combined beta+ and Self Assessment took place in December 2008.



Report of the trustees for the year ended 31 March 2009

The Trust was awarded the Investors in Excellence Achievement Marque in December 2008 following an independent assessment by North of England Excellence.

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 outgoing unrestricted funds (before transfers to restricted funds) of £49,785 (2008: net incoming £118,889). After allowing for transfers to restricted funds of £47,540 and a transfer of £82,000 from designated funds the unrestricted funds have decreased by £15,325.

Overall net incoming resources after all transfers were £38,837 in the year (2008: £90,051). The principal funding sources are shown in note 3 to the accounts. The Trust undertook a substantial re-structuring during the latter part of the financial year and this has been a prime factor in the fall in the level of unrestricted funds.

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 £20,821 has been GiftAided to the charity.

The total unrestricted funds carried forward are £239,268 (2008: £336,593) of which £50,000 (2008: £132,000) 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 set backs 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
- To cover the cost of investing in staff training and development in order to improve and develop new services for the Trust



Report of the trustees for the year ended 31 March 2009

Reserves policy (continued)

- 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 4-6 months of our running costs.

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 2009 the general unrestricted reserves stood at £189,268 which represents just under 3 months of our current running costs and which the Trustees aim to build up over the medium term. The designated reserves stood at £50,000.

Plans for future periods

The Trust continues to deliver the wide range of projects as it did in 2008/09 but will specifically be involved in projects which deal with issues of unemployment.

New projects include:

- Trenance Valley Action Park, Newquay – Completing the construction of an exciting play park for teenagers with a focus on climbing and informal natural play, the centrepiece of the park being a 3.5 metre high climbing boulder.
- Trelavour Downs, St Dennis – Currently an area of waste ground at the edge of the village, we are working with young people and other organisations to develop the ideas for the land into an achievable project.
- The House Youth Project, St Austell – Opening on the 1st May 2009, we are providing the first youth centre for the town for over 15 years. The first project completed is a high quality youth café with an IT suite. Plans also include the development of a music recording studio and creation of a performance/multi-use space.
- Sports – We will continue to deliver a programme of sports development activities for young people in Torbay, Plymouth and Cornwall.
- South Hams – We have been commissioned by South Hams District Council to provide support for community groups and parish councils to develop their plans for play and open space projects.
- Environmental Volunteering – We have re-structured our volunteering team to be able to offer a wider range of volunteering opportunities around the Plymouth area including weekends and we hope to further expand the programme across Devon and Cornwall.



Report of the trustees for the year ended 31 March 2009

Plans for future periods (continued)

- Environmental Business Services (EBS) – with the end of grant funding for these type of programmes as result of the government's 'simplification' agenda, we have restructured the EBS team to a smaller core business development team with activities such as training to be contracted out. This will offer the trust greater flexibility in which to meet the challenge of a move to purely commercial operation.
- Employment:
 - We have secured a new worklessness programme through working with local partners to deliver Flexible New Deal, providing training opportunities for unemployed people. The programme is worth £1.491 million over 5 years.
 - We have provisionally secured four separate Future Jobs Fund (FJF) contracts to deliver subsidised employment, initially to 102 people over 11 months with potential to extend to nearly two years with a total value in excess of £1.8 million.
 - We are progressing a bid to deliver a Community Task Force (CTF) programme as a prime provider. The total contract value is £2.2 million over 21 months commencing January 2010.
- Landscape Design Consultancy – the Trust employs a full-time Chartered Landscape Architect who is providing advice to a range of organisations and has recently recruited an additional Landscape Architect to expand this area of work.
- Provision of expertise and support for development work in Bristol.

Development areas include:

- St Austell – The Trust now has its own office in Cornwall based at The House Youth Centre.
- Increasing the Trust's involvement with County Councils, voluntary sector partnerships, local strategic partnerships and local area agreements throughout the whole of the South West.
- Land at Saltash in Cornwall measuring 4.8 acres has been gifted to the Trust. The Trust continues researching the potential opportunities for this investment land in order to provide the Trust with a commercial income.
- Improvement of the Trust's marketing and client relationships. To this end the Trust will:
 - increase media contacts within the South West area.
 - work with the Herald, Plymouth to raise awareness of Groundwork's diverse services.
 - replicate awareness across the region.
 - increase awareness through radio, television and online broadcasters.
 - raise awareness through Groundwork South West website, exhibition material and literature.
- Seek to acquire a suitable freehold building to be used as trust offices and also to provide an income stream through letting of spare space.



Report of the trustees for the year ended 31 March 2009

Completeness of information to auditors

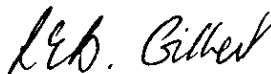
So far as each Trustee listed on page 1 above is aware:-

- 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

Ernst & Young LLP resigned as auditors during the period and were replaced by Francis Clark. The company has started on a tender process to appoint auditors for the coming year.

By order of the board



R E B Gilbert – Chairman
for and on behalf of the Trustees
Date: 25 September 2009



Statement of trustees' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group 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 company's financial statements for the year ended 31 March 2009 which comprise the Consolidated Statement of Financial Activities incorporating an Income and Expenditure Account, Consolidated Balance Sheet, Company Balance Sheet and the related notes 1 to 22. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and that the information given in the directors' report is consistent with the financial statements.

We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



Independent auditors' report

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

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the charitable company and of the group as at 31 March 2009 and of the incoming resources and application of resources of the group, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the trustees' report is consistent with the financial statements.

Francis Clark

Francis Clark
Vantage Point
Woodwater Park
Pynes Hill
Exeter
EX2 5FD

Registered Auditor

16.10.2009



Consolidated statement of financial activities incorporating an income and expenditure account

for the year ended 31 March 2009

		<i>Unrestricted funds</i>		<i>Restricted</i>	<i>Total</i>	<i>Total</i>
		<i>General</i>	<i>Designated</i>	<i>funds</i>	<i>2009</i>	<i>2008</i>
	<i>Note</i>	<i>funds</i>	<i>funds</i>	<i>funds</i>		
		£		£	£	£
Incoming resources						
Incoming resources from generated funds						
Voluntary Income	2	102,222	-	-	102,222	130,258
Activities for generating funds	2	-	-	-	-	1,000
Investment income	2	7,384	-	-	7,384	12,448
Incoming resources from charitable activities	3	89,386	-	1,336,587	1,425,973	1,537,474
Total incoming resources		198,992	-	1,336,587	1,535,579	1,681,180
Resources expended						
Charitable activities	3	234,940	-	1,247,965	1,482,905	1,578,836
Governance costs	4	13,837	-	-	13,837	12,293
Total resources expended		248,777	-	1,247,965	1,496,742	1,591,129
Net incoming/(outgoing) resources before transfers		(49,785)	-	88,622	38,837	90,051
Transfers between funds						
Movement on projects	15	(47,540)		47,540	-	-
Designated funds	16	82,000	(82,000)	-	-	-
Net movement in funds		(15,325)	(82,000)	136,162	38,837	90,051
Fund balances brought forward at 1 April 2008		204,593	132,000	274,970	611,563	521,512
Fund balances carried forward at 31 March 2009		189,268	50,000	411,132	650,400	611,563

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

All incoming resources and resources expended derive from continuing activities.



No. 2632905

Consolidated and charity balance sheet

at 31 March 2009

	<i>Note</i>	<i>Group</i> 2009 £	2008 £	<i>Charity</i> 2009 £	2008 £
Fixed assets					
Tangible assets	8	93,668	94,161	93,668	94,161
Investments	9	-	-	100	100
		<u>93,668</u>	<u>94,161</u>	<u>93,768</u>	<u>94,261</u>
Current assets					
Stocks	10	4,819	-	4,819	-
Debtors	12	731,764	523,662	731,764	523,662
Cash at bank and in hand		72,575	312,517	72,476	312,418
		<u>809,158</u>	<u>836,179</u>	<u>809,059</u>	<u>836,080</u>
Creditors: amounts falling due within one year	13	252,426	318,777	252,682	319,033
Net current assets		<u>556,732</u>	<u>517,402</u>	<u>556,377</u>	<u>517,047</u>
Net assets		<u>650,400</u>	<u>611,563</u>	<u>650,145</u>	<u>611,308</u>
Funds					
Unrestricted funds		189,268	204,593	189,013	204,338
Designated funds	16	50,000	132,000	50,000	132,000
Restricted	15	411,132	274,970	411,132	274,970
Total funds		<u>650,400</u>	<u>611,563</u>	<u>650,145</u>	<u>611,308</u>

These financial statements were approved by the board of trustees on 25 September 2009 and were signed on its behalf by:



R E B Gilbert
Chairman



Notes to the financial statements

for the year ended 31 March 2009

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 1985.

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 1985 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.

Designated funds are funds set aside by the trustees to meet future expenditure on the acquisition of a freehold property.

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 15 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 2009

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 account, 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 2009

1. Accounting policies (continued)

Fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. 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%

Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are stated at open market value at the balance sheet date. Gains or losses arising from changes in the open market value of investment properties are included in the Statement of Financial Activities for the period in which they arise.

Investment properties in the course of construction are included in the balance sheet at cost or valuation, less any recognised impairment until construction or development is complete, at which time the property becomes an investment property and it is subsequently dealt with as above.

Restricted funds

These are funds which can only be applied for particular purposes. The restriction may apply to the use of income or capital or both. Income generated from assets held in a restricted fund will be subject to the same restriction unless either the terms of the original restriction specifically say otherwise or the restricted fund is an endowment fund, the income of which is expendable at the discretion of the trustees.

Unrestricted funds

These funds are available to the trustees to apply for the general purposes of the charity as set out in its governing document. The trustees are free to use these funds for any of the charity's purposes. Income generated from assets held in an unrestricted fund will be unrestricted income.

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.



Notes to the financial statements

for the year ended 31 March 2009

2. Incoming resources from generated funds

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total 2009</i>	<i>Total 2008</i>
	£	£	£	£
Voluntary income				
Grants for core funding	102,222	-	102,222	75,101
Gifts in kind - Donated assets	-	-	-	52,727
Gifts in kind - Donated services	-	-	-	2,430
	<u>102,222</u>	<u>-</u>	<u>102,222</u>	<u>130,258</u>
Activities for generating funds				
Fundraising trading income	-	-	-	1,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment income				
Bank interest	7,384	-	7,384	12,448
	<u>7,384</u>	<u>-</u>	<u>7,384</u>	<u>12,448</u>

3. Charitable activities

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total 2009</i>	<i>Total 2008</i>
	£	£	£	£
Income was received for:				
Community projects	1,655	472,861	474,516	356,737
Land projects	68,579	156,205	224,784	198,043
Employment projects	-	-	-	93,553
Education projects	-	36,596	36,596	19,201
Business projects	12,600	276,990	289,590	379,283
Youth projects	-	127,531	127,531	202,482
Regional projects	-	193,143	193,143	234,633
Other	6,552	73,261	79,813	53,542
	<u>89,386</u>	<u>1,336,587</u>	<u>1,425,973</u>	<u>1,537,474</u>
Income from projects was provided by:				
Central Government	-	178,900	178,900	185,513
Public agencies	12,600	129,522	142,122	276,821
Local authorities	740	312,429	313,169	214,437
European Union	-	208,619	208,619	200,542
National Lottery	-	10,427	10,427	13,053
Private sector	76,046	496,690	572,736	647,108
	<u>89,386</u>	<u>1,336,587</u>	<u>1,425,973</u>	<u>1,537,474</u>



Notes to the financial statements

for the year ended 31 March 2009

3. Charitable activities (continued)

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total 2009</i>	<i>Total 2008</i>
	£	£	£	£
<i>Expenditure on projects</i>				
Community projects	-	457,969	457,969	355,192
Land projects	58,579	172,799	231,378	252,423
Employment projects	-	5,611	5,611	69,518
Education projects	-	39,530	39,530	30,282
Business projects	6,435	301,394	307,829	381,745
Youth projects	-	112,356	112,356	239,863
Regional projects	-	86,022	86,022	183,747
Other	169,926	72,284	242,210	66,066
	<u>234,940</u>	<u>1,247,965</u>	<u>1,482,905</u>	<u>1,578,836</u>

Expenditure on projects comprised

	<i>Direct cost of activities</i>	<i>Grant funding of activities</i>	<i>Support costs</i>	<i>Total 2009</i>	<i>2008</i>
	£	£	£	£	£
Community projects	383,213	-	74,756	457,969	355,192
Land projects	191,608	-	39,770	231,378	252,423
Employment projects	3,420	-	2,191	5,611	69,518
Education projects	24,583	-	14,948	39,531	30,282
Business projects	201,982	-	105,847	307,829	381,745
Youth projects	76,665	-	35,691	112,356	239,863
Regional projects	86,022	-	-	86,022	183,747
Other	211,554	-	30,655	242,209	66,066
	<u>1,179,047</u>	<u>-</u>	<u>303,858</u>	<u>1,482,905</u>	<u>1,578,836</u>

4. Governance costs

	<i>2009</i>	<i>2008</i>
	£	£
Trustees expenses	1,287	13
Audit fees	12,550	12,250
Other	-	30
	<u>13,837</u>	<u>12,293</u>



Notes to the financial statements

for the year ended 31 March 2009

5. Staff costs

	2009 £	2008 £
Salaries and wages	723,141	647,497
Social security costs	66,580	61,520
Pension costs	14,287	20,411
	<u>804,008</u>	<u>729,428</u>

The average number of employees on the payroll was 37 (2008 - 31). The average number of employees during the year, calculated on the basis of full time equivalents was as follows:

	2009 No.	2008 No.
Chief Executive	1	1
Project staff	22	21
Administration and support	8	7
	<u>31</u>	<u>29</u>

There were no employees whose emoluments exceeded £60,000 in the year (2008 - none).

6. Trustees

Trustees were not remunerated for any services in the year.

During the year 3 trustees were reimbursed for travel and accommodation costs amounting to £1,288 (2008 - 1 trustee was reimbursed £13 for travel costs).

7. Net incoming/(outgoing) resources before transfers

	2009 £	2008 £
The net incoming / (outgoing) resources before transfers is stated after charging / (crediting)		
Depreciation	6,236	7,405
Loss /(surplus) on disposals of owned assets	1,775	(77)
Auditors remuneration - audit services	11,050	10,750
- non audit services	1,500	1,500
Operating lease rentals - plant and machinery	6,150	9,726
- land and buildings	33,655	33,400
	<u></u>	<u></u>



Notes to the financial statements

for the year ended 31 March 2009

8. Tangible fixed assets

<i>Group & Charity</i>	<i>Freehold investment property in the course of construction</i>	<i>Tools & equipment</i>	<i>Fixtures & fittings</i>	<i>Computer equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£	£	£
Cost of valuation:						
At 1 April 2008	53,551	18,915	45,609	29,637	26,635	174,347
Additions	2,850	1,445	-	1,534	4,766	10,595
Disposals	-	-	-	(14,702)	(3,490)	(18,192)
At 31 March 2009	56,401	20,360	45,609	16,469	27,911	166,750
Depreciation:						
At 1 April 2008	-	16,185	19,852	25,871	18,278	80,186
Charge for the year	-	1,044	2,678	1,000	2,606	7,328
Eliminated on disposals	-	-	-	(13,246)	(1,186)	(14,432)
At 31 March 2009	-	17,229	22,530	13,625	19,698	73,082
Net book value:						
At 31 March 2009	56,401	3,131	23,079	2,844	8,213	93,668
At 31 March 2008	53,551	2,730	25,757	3,766	8,357	94,161

9. Investments

	<i>Group</i>		<i>Charity</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	£	£	£	£
Investment in subsidiary at cost	-	-	100	100

10. Stocks

	<i>2009</i>	<i>2008</i>
	£	£
Stocks held for resale	4,819	-



Notes to the financial statements

for the year ended 31 March 2009

11. Subsidiary company

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

Results and net assets of trading subsidiary

	<i>2009</i>	<i>2008</i>
	<i>£</i>	<i>£</i>
Turnover	176,752	184,747
Administrative expenses	(176,752)	(183,812)
Operating profit	-	935
	<i>2009</i>	<i>2008</i>
	<i>£</i>	<i>£</i>
Retained profit for year	-	935
Retained profit / (loss) brought forward	255	(680)
Retained profit carried forward	255	255
Assets	355	355
Liabilities	-	-
Total net assets	355	355
Share capital and reserves	355	355

12. Debtors

	<i>Group</i>		<i>Charity</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Trade debtors	406,927	222,408	406,927	222,408
Other debtors	232,370	13,584	232,370	13,584
Accrued income	92,467	287,670	92,467	287,670
	731,764	523,662	731,764	523,662



Notes to the financial statements

for the year ended 31 March 2009

13. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Charity</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Trade creditors	141,537	231,179	141,537	231,179
Amount due to subsidiary undertaking	-	-	256	256
Other creditors	110,889	87,598	110,889	87,598
	<u>252,426</u>	<u>318,777</u>	<u>252,682</u>	<u>319,033</u>

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

	<i>2009</i>		<i>2008</i>	
	<i>Land and Buildings</i>	<i>Other</i>	<i>Land and Buildings</i>	<i>Other</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Operating leases which expire:				
Within one year	1,438	-	-	-
In two to five years	-	7,772	-	7,772
In over five years	31,000	-	23,000	-
	<u>32,438</u>	<u>7,772</u>	<u>23,000</u>	<u>7,772</u>

15. Restricted funds

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

	<i>At 1 April 2008</i>	<i>Incoming resources</i>	<i>Outgoing resources</i>	<i>Transfers (to) / from unrestricted fund</i>	<i>At 31 March 2009</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Total of projects	274,970	1,336,587	(1,247,965)	47,540	411,132

16. Designated funds

Designated funds have been set aside as follows:

Building fund £50,000

The Building fund has been created to build up reserves to enable the trust to acquire a freehold building to be used, not only as trust offices, but also to provide another income stream through the letting of spare space.

A Designated Fund of £82,000 previously set aside to develop additional commercial income streams has been transferred back to general funds as finance for this activity has been sourced from elsewhere.



Notes to the financial statements

for the year ended 31 March 2009

17. 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 2008	113,624
Received during the year from:	
Virador	11,875
SITA Cornwall Trust	14,200
Bank interest on deposited funds	2,124
	<u>141,823</u>
Allocated to projects	(94,384)
Balance of landfill tax monies held by the Trust as at 31 March 2009	<u>47,439</u>

The balance of landfill tax monies held by the Trust forms part of the amount of £72,575 shown in the group balance sheet as cash at bank and in hand. Corresponding entries are included in Other Creditors and Restricted Funds.

18. Directors' material interest in contracts

(i) Local Authority Directors

The Trust obtains a significant amount of its project work and funding from the Local Authority members, each of which nominated one of its Councillors as a Director of the Board. Plymouth City Council had a second, co-opted director on the Board and one Councillor from Cornwall County Council was a co-opted director. During the year, the Trust contracted Local Authority members to provide services for projects.

All negotiations and contracts are transacted independently from the Local Authority directors. These directors have no personal interest in the contracts.

(ii) The Bailey Partnership

The Trust entered into contracts with The Bailey Partnership to provide Envision mentoring and support work and Amber Properties to provide groundwork services. Mr M A West is the managing partner of both partnerships. These contracts were offered in the normal course of business. He has no personal interest in the contract other than as managing partner. The Trust has an existing lease and maintenance agreement with Amber Properties.

Name	Status	Value of transaction Sales/(Purchases)	Balance owed at year end
Maurice West	Ex - Chairman	£4,573	£nil
Maurice West	Ex - Chairman	(£40,287)	£2,300



Notes to the financial statements

for the year ended 31 March 2009

19. Commitments

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

	Group		Charity	
	2009	2008	2009	2008
	£	£	£	£
Authorised but not contracted	-	-	-	-

20. Pension scheme

The company operates a funded, defined contribution, contributory personal pension scheme. At 31 March 2009, £262 (2007: £643) of contributions were due to the scheme in respect of the company.

21. Reconciliation of movement of funds

Group	Balance	Movement	Balance
	1 April		31 March
	2008		2009
	£		£
Unrestricted funds	204,593	(15,325)	189,268
Designated funds	132,000	(82,000)	50,000
Restricted funds	274,970	136,162	411,132
	<u>611,563</u>	<u>38,837</u>	<u>650,400</u>
Charity	Balance	Movement	Balance
	1 April		31 March
	2008		2009
	£		£
Unrestricted funds	204,338	(15,325)	189,013
Designated funds	132,000	(82,000)	50,000
Restricted funds	274,970	136,162	411,132
	<u>611,308</u>	<u>38,837</u>	<u>650,145</u>

All funds are raised and given for specific purposes on projects and are output related. These outputs incorporate fees, consultancies, project 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.



Notes to the financial statements

for the year ended 31 March 2009

22. Analysis of group net assets between funds

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total 2008 £</i>
Tangible fixed assets	93,668	-	93,668
Cash and other net current assets	145,600	411,132	556,732
	<u>239,268</u>	<u>411,132</u>	<u>650,400</u>





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