



Groundwork Kent & Medway 2011-2012 Annual Report



Groundwork Kent & Medway
(A company limited by guarantee)
REPORT OF THE DIRECTORS

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The Directors submit their annual report and the audited financial statements for the year ended 31 March 2012

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

The name of the Company is Groundwork Kent & Medway, referred to as "the Company" in this report. Groundwork Kent & Medway is a member of the Federation of Groundwork Trusts

Principal Office and Registered Office: *The Old Weighbridge
Manor Way
Swanscombe
Kent
DA10 0LL*

Telephone: *(01322) 384848*

Facsimile: *(01322) 385739*

e-mail: *gkm@groundwork.org.uk*

Website: *www.groundwork-km.org.uk*

Company Registration No: *3068263*

Charity Registration No: *1050417*

Company Members: *Dartford Borough Council
GlaxoSmithKline plc
Gravesham Borough Council
Kent County Council
Lafarge Cement UK plc
Medway Council
MHS homes
Swale Borough Council
Swale Housing Association
The Federation of Groundwork Trusts
Ward Homes Ltd*

Nominated Directors

<i>Cllr Ann Allen</i>	<i>Kent County Council</i>	<i>Resigned 25th July 2011</i>
<i>Cllr John Cubitt</i>	<i>Kent County Council</i>	<i>Appointed 25th July 2011</i>
<i>Cllr John Cubitt</i>	<i>Gravesham Borough Council</i>	<i>Resigned 8th May 2011</i>
<i>Cllr Jane Cribbon</i>	<i>Gravesham Borough Council</i>	<i>Appointed 17th May 2011</i>
<i>Cllr David Simmons</i>	<i>Swale Borough Council</i>	<i>Appointed 18th May 2010</i>
<i>Mr Richard Harman</i>	<i>The Federation of Groundwork Trusts</i>	<i>Appointed 11th November 1998</i>
<i>Cllr Peter Hicks</i>	<i>Medway Council</i>	<i>Appointed 9th September 2010</i>
<i>Mr Anthony Jones</i>	<i>The Federation of Groundwork Trusts</i>	<i>Appointed 11th November 1998</i>
<i>Cllr Patricia Thurlow</i>	<i>Dartford Borough Council</i>	<i>Appointed 4th May 2007</i>

Co-opted Directors

*Mr Paul Clark
Mr Mark Heeley
Mr David Scudder
Mr David Simms
Mr Frank Webb
Mr Peter Raby*

*Workman LLP
M-real UK Services Ltd
Lafarge Cement UK plc

Glaxo SmithKline*

*Appointed 11th September 2001
Appointed 4th May 2007
Resigned 3rd November 2011
Appointed 4th May 2007
Appointed 23rd May 2007
Resigned 15th April 2011*

Chairman: *Mr Richard Harman*

Company Secretary: *Ms Claire Woodcock*

General Manager *Mr Ian Martin*

Auditors: *Goatcher Chandler
Chartered Accountants
10 Overcliffe
Gravesend
Kent
DA11 0EF*

Solicitors: *Dakers Green Brett
Captains House
Pembroke
Chatham Maritime
Kent
ME4 4UF*

Bankers: *National Westminster Bank Plc
117 High Street
Gillingham
Kent
ME7 1AG*

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure of the Charity

Groundwork Kent & Medway is a charity and a company limited by guarantee. The governing documents are its Memorandum and Articles of Association which were last amended at the Annual General Meeting of the members of the Company on 6 November 2006 with the prior approval of the Charity Commission

The subsidiary, Groundwork Environmental Services (Kent) Limited, did not trade during the year but has been consolidated into this report and accounts

The Directors

The Directors are the Trustees of Groundwork Kent & Medway in accordance with the Charities Act 1993 and they are also the Directors of the Company in accordance with the Companies Act 1985. The Board is made up of seven nominated Directors (one each nominated by Dartford Borough Council, Gravesham Borough Council, Kent County Council, Medway Council and Swale Borough Council and two nominated by the Federation of Groundwork Trusts) and up to thirteen co-opted directors. The co-opted directors have been invited to join the board by the nominated directors to broaden the skills base of the board or to secure specialist expertise. They have the same voting rights and responsibilities as the nominated directors. The nominated directors serve a term decided by the Company member nominating them up to a maximum of 3 years. The co-opted directors serve a term of up to three years. Nominated and co-opted directors can be appointed for further terms.

Induction and training

New members are provided with copies of the governing documents and key policy documents and a copy of the Federation's Governance Handbook. The General Manager provides an induction session when new directors are appointed and all directors are encouraged to participate in governance training provided by the Federation at regional venues.

Organisational Structure and decision making process

The Board normally meets four times a year and does not have any committees with delegated powers. There is one working group comprising board members and staff, chaired by a board member. This is the Finance and Property Group. This Group normally meets quarterly. The Board has delegated day to day operation of the charity to the General Manager; the powers delegated being set out in a written document. The Board has also established Financial Regulations and a number of policies within which the Board and staff have to operate.

Risk Assessment

A Corporate Risk Assessment was undertaken by the Board, management and staff in early 2002 and is updated annually. The assessment includes plans for managing, evaluating and monitoring major risks. The Board considers that appropriate steps have been taken to assess and control these risks.

Statement of Recommended Practice "Accounting and Reporting by Charities"

The 'Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005)' (SORP 2005) has been complied with.

OBJECTIVES, AIMS AND PUBLIC BENEFIT

Groundwork Kent & Medway is a member of the Federation of Groundwork Trusts which comprises around 40 independent charitable companies with a main office in Birmingham co-ordinating activities and a regional office in London

Groundwork Kent & Medway operates for the public benefit in the Kent County Council and Medway Council local authority areas

Objects as set out in the Memorandum of Association

The objects of the Company are firstly to promote the conservation, protection and improvement of the physical and natural environment anywhere in the area of Kent & Medway and secondly to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting to the area of Kent & Medway and thirdly to advance public education in environmental matters and of the ways of better conserving, protecting and improving the same wheresoever

Our Vision *is for a society made up of sustainable communities which are vibrant, healthy and safe, which respect the local and global environment and where individuals and enterprise prosper*

Groundwork's Purpose *is to build sustainable communities in areas of need through joint environmental action*

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the organisation's objectives and planning future activities. In particular, the Trustees consider how planned activities will contribute to the charitable objectives set out above

Groundwork Kent & Medway aims to be the partner of choice in delivering community and environmental regeneration for the public benefit throughout Kent & Medway particularly in the Thames Gateway, East Kent and in other areas of need

We aim to achieve this by focusing on

- **Land** *Reconnecting people with their surroundings Delivering high-quality projects to improve open space based on sound design, management and ecological principles,*
- **Community** *Building stronger neighbourhoods Identifying and addressing social and environmental needs by working with and through local communities,*
- **Education** *Learning, citizenship and sustainability Raising awareness of environmental issues, promoting sustainable living and encouraging responsible stewardship of the environment,*
- **Youth** *Realising young people's potential Getting young people engaged in tackling local social and environmental issues and*
- **Employment** *Supporting local economies and tackling worklessness Helping people to develop their confidence, skills and experience in order to find work, contributing to the regeneration of local neighbourhoods*

Successful projects often combine several of these strands as one of our strengths is taking an integrated and holistic approach

A small management and administration team provides central support services to build partnerships, to develop high quality projects and develop the capabilities and self-confidence of all staff

ACHIEVEMENTS AND PERFORMANCE

2011/12 was an incredibly difficult year, with it becoming increasingly difficult to secure the required work needed to secure our predicted surplus. This was further compounded by the need to restructure again. This led to a significant restructure and as part of this the Finance Manager's post was made redundant. Despite these changes and ongoing efforts of the staff team, the end of year results were incredibly disappointing.

Despite the sale of the building at Canterbury Street, cash flow continues to be a significant issue with our cash reserves being severely tested.

The Trust has continued however, to deliver a range of high quality projects. We continue to work with partners to deliver major programmes and manage important assets, including amongst others, Oare Gunpowder Works, Dartford Marsh, Beacon Woods, and SparkIT. During the year we have taken over and begun to run The Eating Place at SusCon as an employment programme and secured multi year funding from the Lottery to run a local food programme, Movable Feasts.

Funding for these programmes come from a range of sources, as has been the case in previous years. These include Central and Local Government, RSLs and importantly, the private sector.

The staff team, despite difficult circumstances remain professional, delivering high quality projects.

FINANCIAL REVIEW

The results for the year are set out on pages 9 to 20 of the financial statements.

The net outgoing resources for the year amounted to £ (76,534) as set out in the financial statements. It is planned to increase reserves in future years in line with the Company's reserves policy.

Reserves Policy

The Company maintains reserves mainly to fund the delay in the receipt of income with a small cushion to absorb short-term setbacks. The Company's policy is to establish unrestricted reserves (excluding fixed assets such as premises and equipment) sufficient to cover three months fee income based on the budget for the forthcoming financial year. For the financial year commencing 1 April 2011 this would result in reserves as defined above in the region of £275,000 being required. At 1 April 2012 actual reserves (excluding fixed assets) fell short of this, although because of the reduced budgeted turnover for 2012-13 the required reserves would reduce to £200,000.

The shortfall in the required reserves is being addressed as part of the ongoing review of the Trust.

Funds

The Company has a number of funds which are described in note 1 (e) in the financial statements. Unrestricted funds do not include payments received in advance and held pending completion of project work which would form part of restricted funds. The company has not designated any funds. In accordance with the Statement of Recommended Practice on Accounting by Charities (SORP 2005), income is recognised to the extent that the service has been delivered or earned. When the payment has been received in advance for expenditure which must take place in a future accounting period or when the payment is dependent on the fulfilment of a contract, payments are deferred until the company becomes entitled to the resources. Restricted reserves can only be used in accordance with the funder's instructions for agreed programmes of work and cannot therefore form part of the unrestricted funds that are under the control of the charity's trustees.

PLANS FOR THE FUTURE

Going forward, in response to the strategic direction set up in the Federation and to meet the extremely challenging funding climate, the Trust is working towards merging with those Trusts forming the new Groundwork South This new Trust will incorporate Groundwork Thames Valley, Groundwork Solent and elements of Groundwork South West Hopefully this merger will be in place at the beginning of the next financial year in April 2013 and will mean Groundwork in Kent has an infrastructure to meet these challenges and a range of products to be both competitive but also deliver the services that reflect the charity's commitment to local people

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations

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 Company and of the profit or loss of the Company for that period In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,*
- make judgements and estimates that are reasonable and prudent,*
- 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 which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

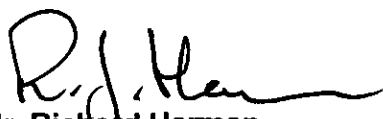
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information and to establish that the company's auditors are aware of that information

APPOINTMENT OF AUDITORS

A resolution proposing that Goatcher Chandler be re-appointed as auditors of the Company will be put to the Annual General Meeting

This report was approved by the Board on 24th October 2012



Mr. Richard Harman
Director

Independent Auditors' Report to the members of
GROUNDWORK KENT & MEDWAY
(A Company Limited by Guarantee – No 3068263)

We have audited the financial statements of Groundwork Kent & Medway for the year ended 31 March 2012 which comprise the Statement of Consolidated Financial Activities, the Summary of Consolidated Income and Expenditure Account, the Consolidated Balance Sheet and 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. 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its 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*

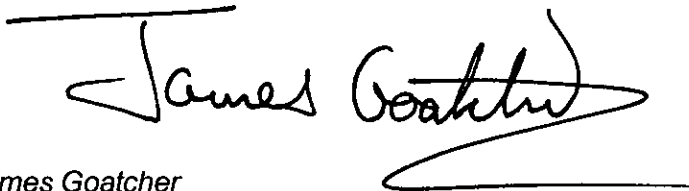
Opinion on other matter prescribed by the Companies Act 2006

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

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

- *adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or*
- *the financial statements are not in agreement with the accounting records and returns, or*
- *certain disclosures of trustees' remuneration specified by law are not made, or*
- *we have not received all the information and explanations we require for our audit [or*
- *the Trustees take advantage of the small companies exemption in preparing the Trustees' Annual Report*



James Goatcher

Senior Statutory Auditor

For and on behalf of

Goatcher Chandler Chartered Accountants and Registered Auditor

10 Overcliffe Gravesend Kent DA11 0EF



GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Consolidated Statement of Financial Activities

(Incorporating an Income and Expenditure Account)

For the Year Ended 31st March 2012

	Note	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
INCOMING RESOURCES					
Incoming resources from generated funds	2				
Voluntary income		44,000	-	44,000	109,500
Activities for generating funds		3,770	-	3,770	2,328
Investment income		6	-	6	17
Incoming resources from charitable activities	3	-	891,379	891,379	1,516,555
Other incoming resources	5	14,085	-	14,085	6,526
TOTAL INCOMING RESOURCES		61,861	891,379	953,240	1,634,926
RESOURCES EXPENDED					
Cost of generating funds	6				
Cost of generating voluntary income		380	-	380	378
Charitable activities	4	313,405	723,594	1,036,999	1,585,769
Governance costs	7	8,715	-	8,715	6,104
TOTAL RESOURCES EXPENDED		322,500	723,594	1,046,094	1,592,251
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(260,639)	167,785	(92,854)	42,675
Transfers between funds		167,785	(167,785)	-	-
Revaluation reserve written back		16,320	-	16,320	-
NET MOVEMENTS IN FUNDS		(76,534)	-	(76,534)	42,675
Fund balances brought forward		201,336	-	201,336	158,661
FUND BALANCES CARRIED FORWARD		124,802	-	124,802	201,336

All of the above results are derived from continuing activities

GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Statement of Total Recognised Gains and Losses

(Incorporating an Income and Expenditure Account)

For the Year Ended 31st March 2012

	2012 £	2011 £
Net (Income /(Expenditure) before transfers	(92,854)	42,675
Revaluation reserve	16,320	-
	<u>(76,534)</u>	<u>42,675</u>

GROUNDWORK KENT & MEDWAY

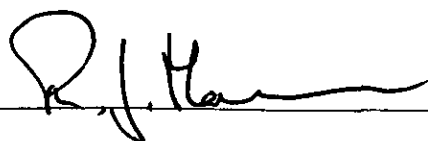
(A Company Limited by Guarantee)

Consolidated Balance Sheet

As at 31st March 2012

	Note	2012		2011	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		22,659		292,116
Investment	10		-		-
			<u>22,659</u>		<u>292,116</u>
CURRENT ASSETS					
Debtors	11	157,979		258,646	
Cash at bank		37,732		3,175	
		<u>195,711</u>		<u>261,821</u>	
CREDITORS Amounts falling due within one year	12	<u>(93,567)</u>		<u>(284,669)</u>	
NET CURRENT ASSETS			102,143		(22,848)
CREDITORS Amounts falling due after one year	13		-		(51,612)
TOTAL ASSETS			<u>124,802</u>		<u>217,656</u>
FUNDS					
Income funds					
Unrestricted funds	15		124,802		217,656
Restricted funds	15		-		-
TOTAL FUNDS			<u>124,802</u>		<u>217,656</u>

Approved on behalf of the Board and signed on its behalf



Director and Trustee

24th October 2012

GROUNDWORK KENT & MEDWAY

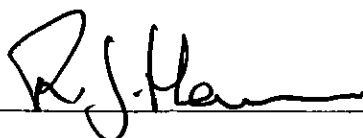
(A Company Limited by Guarantee)

Balance Sheet

As at 31st March 2012

	Note	2012		2011	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		22,659		292,116
Investment	10		<u>100</u>		<u>100</u>
			22,759		292,216
CURRENT ASSETS					
Debtors	11	157,979		258,646	
Cash at bank		<u>37,701</u>		<u>3,160</u>	
		195,680		261,806	
CREDITORS Amounts falling due within one year	12	<u>(93,567)</u>		<u>(284,853)</u>	
NET CURRENT ASSETS			102,113		(23,047)
CREDITORS Amounts falling due after one year	13		-		(51,612)
TOTAL ASSETS			<u>124,872</u>		<u>217,557</u>
FUNDS					
Income funds					
Unrestricted funds	15		124,872		217,557
Restricted funds	15		-		-
TOTAL FUNDS			<u>124,872</u>		<u>217,557</u>

Approved on behalf of the Board and signed on its behalf



Director and Trustee

24th October 2012

GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31st March 2012

1 ACCOUNTING POLICIES

a Basis of preparation

The financial statements are prepared under the historical cost convention
The financial statements have been prepared in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities 2005 (SORP 2005) applicable accounting standards and the Companies Act 2006 as modified by the revaluation of Fixed Assets

The Company has taken advantage of exemption in Financial Reporting Standard No 1 from preparing a Cashflow Statement given that it is a small company

b Company status

The Company and its subsidiaries comprise a small group.

The Company is limited by guarantee. The guarantors are the Members of the Company which are: Dartford Borough Council, Glaxo SmithKline plc, Gravesham Borough Council, The Federation of Groundwork Trusts, Kent County Council, Lafarge Cement plc, Medway Council, mhs homes, Swale Borough Council, Swale Housing Association and Ward Homes Limited

The liability in respect of the guarantee, as set out in the Memorandum of Association, is limited to £1 per member of the Company. The Company has availed itself of paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the Company's activities

c Incoming resources

In accordance with SORP 2005, income is recognised to the extent that the service has been delivered or earned. When the payment has been received in advance for expenditure which must take place in a future accounting period or when the payment is dependent on the fulfilment of a contract, payments are deferred until the company becomes entitled to the resources

d. Fund accounting

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

Designated funds comprise general funds which have been set aside at the discretion of the directors for specific purposes. The purpose and use of the designated funds is set out in the notes to the financial statements

Restricted funds are funds subject to specific restrictive conditions imposed by donors or by the purpose of the appeal. The purpose and use of the restricted funds is set out in the notes to the financial statements

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

Funds are transferred from restricted to unrestricted at the year end on the basis that no restrictions exist on the income and expenditure recognised. Income that has not been fully delivered or earned is deferred

e Grants for Core Funding

Grants for core funding are funds provided to support the management and administration of the charity

f Gifts in kind

The values attributed to gifts in kind are based on a reasonable estimate of their value to the Charity, or the amount actually realised

Assets given for use by the Charity, are recognised as incoming resources when receivable

GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31st March 2012

g Resources expended

The cost headings comprise expenditure, including staff costs, directly attributable to the activity and are recorded on an accruals basis. 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.

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

h Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Building	Over 50 years
Building refurbishments	Over 10 years
Computer equipment	Over 5 years
Furniture, tools and equipment	Over 5 years
Motor vehicles	Over 4 years

i Pensions

The Charity contributes toward employees' personal pension schemes and the pension charge represents the amounts payable by the Charity to the schemes in respect of the period and are charged to the Income and Expenditure Account when payable.

j Operating leases

Rentals applicable to operating leases are charged to the income and expenditure account over the period in which the cost is incurred.

Assets purchased under finance lease are capitalised in fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges.

Finance charges are written-off to the Income and Expenditure Account over the period of the lease so as to produce a constant periodic rate of charge on fixed asset contracts.

GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31st March 2012

2 INCOMING RESOURCES FROM GENERATED FUNDS	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
Voluntary income				
Grants for core funding	44,000	-	44,000	109,500
	<u>44,000</u>	<u>-</u>	<u>44,000</u>	<u>109,500</u>
Activities for generating funds				
Rental income	3,770	-	3,770	2,328
	<u>3,770</u>	<u>-</u>	<u>3,770</u>	<u>2,328</u>
Investment income				
Bank interest	6	-	6	17
	<u>6</u>	<u>-</u>	<u>6</u>	<u>17</u>
3 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
Community projects	-	314,100	314,100	356,564
Land projects	-	220,843	220,843	159,635
Education projects	-	75,898	75,898	84,628
Youth projects	-	31,710	31,710	17,636
Employment projects	-	248,828	248,828	528,892
	<u>-</u>	<u>891,379</u>	<u>891,379</u>	<u>1,147,355</u>
Income from projects was provided by :				
Central Government	-	125,005	125,005	414,965
Public Sector	-	3,500	3,500	21,288
Local Government	-	318,118	318,118	359,537
European Funding	-	-	-	10,998
Private Sector	-	444,756	444,756	708,002
Lottery Funding	-	-	-	1,765
	<u>-</u>	<u>891,379</u>	<u>891,379</u>	<u>1,516,555</u>

GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31st March 2012

4 RESOURCES EXPENDED ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
Community projects	-	254,977	254,977	278,716
Land projects	-	179,274	179,274	202,313
Education projects	-	61,611	61,611	420,888
Youth projects	-	25,741	25,741	6,025
Employment projects	-	201,991	201,991	394,492
Support costs	313,405	-	313,405	283,335
	<u>313,405</u>	<u>723,594</u>	<u>1,036,999</u>	<u>1,585,769</u>

Expenditure on projects comprised :

	Direct costs £	Staff costs £	Indirect costs £	2012 £	2011 £
Community projects	50,663	204,314	-	254,977	278,716
Land projects	35,621	143,653	-	179,274	202,313
Education projects	12,242	49,369	-	61,611	420,888
Youth projects	5,114	20,627	-	25,741	6,025
Employment projects	40,135	161,856	-	201,991	394,492
Support costs	-	196,520	116,885	313,405	283,335
	<u>143,775</u>	<u>776,339</u>	<u>116,885</u>	<u>1,036,999</u>	<u>1,585,769</u>

Included in support costs were

Management and support salaries and on costs	188,277	174,271
Redundancy costs	8,243	-
Premises	23,183	27,505
Administration	70,722	56,724
Depreciation - tangible fixed assets - owned	15,432	16,578
Operating lease rentals - other	7,547	8,257

STAFF COSTS

	2012 £	2011 £
Wages and salaries	698,538	817,616
Social security costs	55,577	61,594
Pension costs	21,636	18,541
Benefits	589	1,922
	<u>776,339</u>	<u>899,673</u>

No employee earned £60,000 pa or more.

The trustees neither received nor waived any emoluments during the year (2011 £Nil)

No trustee received any expenses during the year (2011 £Nil)

Staff numbers

The average number of employees, analysed by function was

	2012 No.	2011 No.
Direct charitable activities	43	48
Management and administration of the charity	5	5
	<u>48</u>	<u>53</u>

GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31st March 2012

5 OTHER INCOMING RESOURCES

	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
Sundry income	1,569	-	1,569	-
Profit on sale of assets	6,021	-	6,021	-
Charitable donation	6,495	-	6,495	6,526
	<u>14,085</u>	<u>-</u>	<u>14,085</u>	<u>6,526</u>

6 COST OF GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
Cost of generating voluntary income				
Fundraising	380	-	380	378
	<u>380</u>	<u>-</u>	<u>380</u>	<u>378</u>

7 GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
Meeting costs	3	-	3	1,004
Legal and professional	2,607	-	2,607	120
Audit fees	6,105	-	6,105	4,980
	<u>8,715</u>	<u>-</u>	<u>8,715</u>	<u>6,104</u>

8 INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES

GKM owns 100 ordinary shares of £1 each in a wholly owned subsidiary, Groundwork Environmental Services (Kent) Limited (GES), a company incorporated in England and Wales. The company was dormant throughout the year, although incurred expenses in maintaining the bank account.

GROUNDWORK KENT & MEDWAY

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Notes to the Financial Statements (continued)

For the Year Ended 31st March 2012

9 TANGIBLE FIXED ASSETS - Group and Charity

	Freehold Property	Building Refurbishment	Furniture, tools & equipment	Computer equipment	Motor vehicles	Total
Cost						
As at 1st April 2011	265,000	8,000	6,928	29,417	36,107	345,452
Additions	-	-	-	-	2,200	2,200
Disposals	(265,000)	-	-	-	(2,350)	(267,350)
As at 31st March 2012	-	8,000	6,928	29,417	35,957	80,302
Depreciation						
As at 1st April 2011	6,600	3,200	6,234	19,370	17,932	53,336
Charge for the year	3,300	800	463	4,599	6,270	15,432
Disposals	(9,900)	-	-	-	(1,225)	(11,125)
As at 31st March 2012	-	4,000	6,697	23,969	22,977	57,643
Net Book Value						
As at 31st March 2012	-	4,000	231	5,448	12,980	22,659
As at 31st March 2011	258,400	4,800	694	10,047	18,175	292,116

10 FIXED ASSET INVESTMENTS

GKM owned 100 ordinary shares of £1 each in a wholly owned subsidiary, Groundwork Environmental Services (Kent) Limited (GES), a company incorporated in England and Wales

Summary Balance Sheets of the subsidiaries are as follows

	31st March 2012 GES	31st March 2011 GES
Current assets	30	199
Current liabilities	-	-
Net Assets	30	199
Share capital	100	100
Retained profits	(70)	99
Net Assets	30	199

11 DEBTORS

	2012		2011	
	Group £	Charity £	Group £	Charity £
Trade debtors	59,567	59,567	209,140	209,140
Amounts owed by subsidiary undertakings	-	-	-	-
Prepayments	897	897	11,828	11,828
Accrued income	97,515	97,515	37,678	37,678
	157,979	157,979	258,646	258,646

GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Notes to the Financial Statements (continued)

For the Year Ended 31st March 2012

12 CREDITORS : Amounts falling due within one year

	2012		2011	
	Group £	Charity £	Group £	Charity £
Trade creditors	17,569	17,569	35,566	10,640
Other taxation and social security	51,337	51,337	45,745	45,745
Accruals	4,834	4,834	5,900	5,900
Deferred income	13,218	13,218	156,457	181,383
Other creditors	6,609	6,609	1,950	1,950
Amounts owed to subsidiary undertakings	-	-	-	184
Bank overdraft	-	-	10,540	10,540
Bank loans	-	-	4,523	4,523
Commercial mortgage	-	-	23,988	23,988
	93,567	93,567	284,669	284,853

13 CREDITORS : Amounts falling due after one year

	2012		2011	
	Group £	Charity £	Group £	Charity £
Commercial mortgage	-	-	51,612	51,612
	-	-	51,612	51,612
Analysis as follows.				
Between one and two years	-	-	28,510	28,510
Between two and five years	-	-	23,102	23,102
Five years or more	-	-	-	-
	-	-	51,612	51,612

14 FINANCIAL COMMITMENTS

At 31st March 2011 the company has annual commitments under non-cancellable leases as follows

	2012		2011	
	Group £	Charity £	Group £	Charity £
Other operating leases (non land and buildings) Expiring				
Between two and five years	7,547	7,547	8,257	8,257

GROUNDWORK KENT & MEDWAY

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Notes to the Financial Statements (continued)

For the Year Ended 31st March 2012

15 STATEMENT OF FUNDS

	Balance 1st April 2011 £	Income £	Expenditure £	Transfers £	Balance 31st March 2012 £
UNRESTRICTED FUNDS					
General funds	201,237	61,844	(322,314)	184,105	124,872
Revaluation reserve	16,320	-	-	(16,320)	-
Trading companies	99	17	(186)	-	(70)
Total unrestricted funds	217,656	61,861	(322,500)	167,785	124,802
RESTRICTED FUNDS					
Project funding	-	891,379	(723,594)	(167,785)	-
Total restricted funds	-	891,379	(723,594)	(167,785)	-
TOTAL FUNDS	217,656	953,240	(1,046,094)	-	124,802

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31st March 2012 are represented by	Unrestricted funds £	Restricted funds £	Total funds £	2011 £
Tangible fixed assets	22,659	-	22,659	292,116
Current assets	195,711	-	195,711	261,821
Current liabilities	(93,567)	-	(93,567)	(284,669)
Long term liabilities	-	-	-	(51,612)
Total Net Assets	124,802	-	124,802	217,656

17 REVALUATION RESERVE

The Company's freehold property was independently revalued on 31st March 2009 therefore creating a Revaluation Reserve of £16,320
The property was sold in March 2012 so the Revaluation Reserve was released to Profit and Loss

18 SUBSIDIARY UNDERTAKINGS

Groundwork Environmental Services (Kent) Limited (GES) provides advisory and consultancy services on all issues concerning the environment. The results of the subsidiary, which did not trade during the year, have been consolidated in these financial statements. The Company has issued a letter of continued support to its subsidiary undertaking.