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GROUNDWORK North London

(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS
31 MARCH 2008



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DIRECTORS' REPORT

Directors and Trustees

Dinah Nichols	Chair	Groundwork UK Nominated
John Smith	Treasurer	Groundwork UK Nominated
Cllr Anna Berent		London Borough of Islington Nominated
Jerome Frost		Co opted
Robin Hirsch		Co opted (<i>resigned 24 July 2007</i>)
Cllr Martin Klute		London Borough of Islington Nominated (<i>resigned 19 May 2008</i>)
Richard Merrin		London Borough of Camden Nominated
Tim Lonsdale		Co opted (<i>resigned 24 July 2007</i>)
Maria Papoui		Co opted (<i>resigned 17 April 2007</i>)
Theodore Spyrou		Co opted
Cllr Alexis Rowell		London Borough of Camden Nominated (<i>resigned 18 February 2008</i>)
Cllr Lee Rowley		City of Westminster Nominated
Paul Acland		Co opted (<i>appointed 17 April 2007</i>)
Darren Levy		Co opted (<i>appointed 17 January 2008</i>)
Cllr Wally Burgess		London Borough of Islington Nominated (<i>appointed 19 May 2008</i>)

Board members are appointed at Annual General Meetings, nominated Directors serve for a period of three years, co-opted directors serve for a period of two years

During the year the position of Chair was held by Dinah Nichols and the position of Honorary Treasurer was held by John Smith

EXECUTIVE DIRECTOR	Pieter Johnson (<i>resigned 31 July 2007</i>) Nicholas Durston (<i>appointed 16 July 2007</i>)
COMPANY SECRETARY	Stuart Harrison
PRINCIPAL & REGISTERED OFFICE	12 Baron Street London N1 9LL
COMPANY NUMBER	02897074
REGISTERED CHARITY NUMBER	1040347
AUDITORS	Maurice Apple 3 rd Floor, Marlborough House 179-189 Finchley Road London, NW3 6LB
BANKERS	The Royal Bank of Scotland plc London Holborn (A) Branch 127 High Holborn London WC1 6PQ
SOLICITORS	Bates, Wells & Braithwaite 61 Charterhouse Street London EC1M 6HA

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The Directors who are also the Trustees of the charity have pleasure in presenting their report and financial statements of Groundwork North London ("The Trust") for the year ended 31 March 2008

Vision

Our vision is of 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. Our purpose is to build sustainable communities in areas of need through joint environmental action.

Values

Our core values are

- Equality and diversity – valuing differences and treating everybody and all things with respect
- Innovation and learning – always looking for new and better ways of working
- Subsidiarity – making decisions at a level as close as possible to the communities we serve
- Integrity and professionalism – maintaining high personal and professional standards
- Partnership – working alongside communities, public bodies, private companies and other voluntary sector organisations to deliver maximum benefits to people, places and businesses
- Sustainability – respecting nature's limits and the needs of future generations

Everything the Trust does is underpinned by the principle of partnership in sustainable development

Aim

We aim to be an outstanding deliverer of local environmental projects and programmes in areas of need that can help

- Build safer and stronger communities
- Promote health and well-being
- Support local skills and enterprise
- Provide young people with something to do and somewhere to go
- Reduce carbon emissions and tackle climate change

Objectives

Our objectives are threefold: first, to promote the conservation, protection and improvement of the physical and natural environment in the London Boroughs of Camden, Islington and the City of Westminster; second, to provide facilities for recreation and leisure time occupation in the interest of social welfare thereby improving the lives of those living, working or visiting these areas; third, to advance public education in environmental matters and to help people to better conserve, protect and improve their environment.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Groundwork is a Federation of Trusts in England, Wales and Northern Ireland, each working with 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 Partnership Agreement is a bilateral agreement jointly signed by both the Trust and the Federation, setting out the obligations, defining the minimum quality and ethical standards, setting out the core values and defining the circumstances and procedures whereby Trusts may be required to leave the Federation.

Each Trust is a partnership between the public, private and voluntary sectors with its own Board of Trustees. The work of each Trust is supported by the national and regional offices of Groundwork UK.

The Trust is a registered charity and company limited by guarantee and is governed by its memorandum and articles of association.

This is the Trust's 14th year of operation in Camden, 7th year in Islington, 2nd year in Westminster and 1st year in Haringey.

The Governing body of the Trust is the Board of Trustees whose members are unpaid. The Board comprises not more than 15 Directors of whom not more than 7 are nominated by the members and not more than 8 co-opted by the Board itself. Nominated Directors serve for a fixed period not exceeding 3 years and co-opted directors not exceeding 2 years.

At 31st March 2008 there were 6 vacant posts on the Board.

The members of the Trust who may nominate directors (not more than 7) are as follows:

Groundwork UK	2
London Borough of Camden	2
London Borough of Islington	2
Westminster City Council	1

The Board is responsible for major strategic decisions and has ultimate responsibility for the conduct and financial viability of the organisation. The full Board meets formally four times a year. Specific HR and Finance Sub Groups of the Board have been established with delegated responsibility. The HR Sub Group meets at least twice a year and the Finance Sub Group at least quarterly or, as and when required.

During the year to March 31st 2008, 4 Trustees left the Board including a nominated member representative.

	<u>Apr 07</u>	<u>Resigned</u>	<u>Appointed</u>	<u>Mar 08</u>
Members' Representatives	7	1	-	6
Co-opted	5	2	1	4

Since the year end a further Trustee has resigned and another appointed.

Board membership will be reviewed again following formal approval to operate in LB Haringey and of the Groundwork operating structures in London.

New Trustees receive an induction to the Charity, which includes briefings on key responsibilities of Trustees and how the Board works, the objects of Groundwork North London and its Vision and Mission, the structure, its staff and volunteers and finance. Trustees are encouraged and supported in visiting and maintaining contact with projects.

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Employees and Volunteers

The Board delegates day to day financial and managerial control of the organisation to the Executive Director. The Executive Director, together with the Senior Management Team, meets monthly to discuss the operational and financial status of the Trust.

People are our most important resource. The average number of staff employed during the year was 25 (26 in 2006/7) made up of eight in Communities, one in Education, four in Employment, four in Landscape, one in Youth, four in Development and three in Trust Administration.

Although the Trust saw a higher staff turnover at 34% (as compared with 13% in 2006/07) there are no particular issues outlined in the staff exit interview questionnaires that require attention. Reasons for staff leaving in 2007/08 range from promotion to emigration. All positions have either been filled or combined with other roles.

The average length of service for staff employed as at December 2007 is 26 months (37 months 2006).

The trust carried out an annual staff survey in November 2007. The results revealed that on the whole staff morale was slightly lower this year than in 2006 (73% against 76%). Average satisfaction was 3.7 (out of 5) against 3.8 in 2006. There were no particular reasons given for the drop in satisfaction. The response rate was 61.5% against 80% in 2006.

The Trust is committed to staff and Board member development and training, to meet the needs of the business. Staff training needs are analysed annually as part of the appraisal process and monitored regularly through monthly/bi-monthly or quarterly progress meetings. Staff are responsible for identifying their own training. Examples of training undertaken in 2007/08 include a follow up to diversity training (identified in the 2006 BETA+ session) and Business English skills for staff who do not speak English as their first language.

Equally important are our volunteers, who have in the last year been coming through the Employment Initiative Programmes and, whose contributions in time, resources and 'gift in kind' have helped increase the long term impact of Trust programmes and projects.

Internal Control and Risk Management

The Directors have assessed the major risks to which the charity is exposed, in particular those that related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate exposure to major risks.

Quarterly reports to the Board monitor income & expenditure and progress towards financial targets. Detailed management accounts are examined by the Finance Sub Group which meets 2 weeks after the period end (to ensure accurate information for that period) and 1 week prior to each Board meeting.

At the six month period the Trust carries out a 'Best Case, Worse Case' risk assessment which informs planning and management for the second half of the financial year.

The Trust submits detailed accounts to the Federation on a quarterly basis and is monitored on security of income and financial stability resulting in a "financial health" indicator. The Trust is currently in the Green category.

Financial management of projects is controlled using GPMS (Groundwork Project Management System), which is now in its fifth year of operation. Expenditure is only made on projects once income has been secured. The amount of secured and unsecured income and the expenditure and revenue on all projects is analysed on a monthly basis. Detailed management information is imported from the system to provide up to date financial and operational performance against targets.

The Senior Management Team (SMT) reviews monthly income against budget, target income secured income per employee together with many other business planning tools. These are also reported to the staff team and on a quarterly basis to the Board, to focus Trust attention on achieving Business Plan targets.

The SMT review financial accounts each month and manages the Trust's resources in light of income receivable.

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Staffing capacity and overheads have been reduced through natural turnover in 2007/08. The Trust has benefited financially from these reductions but also realises that cost savings from staff leaving is not a sustainable long-term strategy.

The Trust maintains a risk register which is updated with the Board quarterly. Each risk is allocated both an Impact and Probability rating (0-10) with the ratings multiplied to give a risk score (0-100). The Directors have assessed the major risks to which the charity is exposed in the areas of operations, funding, support and partnerships and are satisfied that systems are in place to mitigate exposure to major risks.

Grant Making Policy

The Trust administers applications for Small Community Grants schemes and Managed Grants schemes on behalf of partnerships with local authorities. The Applications are reviewed against specific criteria and business objectives which are set out by the grants panels and awarded to constituted groups.

Principal activities

Groundwork's approach is to develop and implement programmes which concentrate on three key areas, which summarises the objects of the Trust:

- bringing about physical environmental improvements
- educating and involving the community
- integrating the economy and the environment

The Trust was for part of the year one of seven Groundwork Trusts in London working together with Groundwork UK with the support of a Regional Director and team. Groundwork has developed a Groundwork London Strategy with the objectives to:

- build productive relationships and partnerships
- create and deliver programmes and projects through four thematic Service Areas of Communities & Young People, Urban Landscapes & Open Space, Environmental Services and Employment & Skills Training
- influence and shape policies, share learning, and demonstrate positive impacts
- maintain a strong, viable business, achieving excellence in service delivery

Groundwork London has a Business Plan that sets out the actions necessary to achieve these objectives.

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REVIEW OF 2007/ 2008

Highlights

- Income fell by 2.5% on the previous year of £2,178,000
- Expenditure dropped by 5.2% on the previous year of £2,161,000
- Unrestricted Surplus (general and designated) increased by 347% on the previous year of £17,000
- 154 days of Reserves held (Target 180 days)
- Client satisfaction scores rose to 8.4 in September 2007, an all-time high

Financial Performance

	2007/08 Actual	2007/08 July 07 Forecast	2006/07 Actual	Comment
	£'000	£'000	£'000	
Income	2,124	2,426	2,178	
Expenditure	2,048	2,401	2,161	
Surplus	76	25	17	- available for general charitable use
Unrestricted reserves	476	425	401	
Number of days reserves held	154	141	145	

Financial Review

The Trust had a total incoming resources for the year of £2,123,830 (2007/08 £2,177,771)

The overall net incoming resources after resources expended for the year were £223,545 (2007/8 £152,400). This consisted of £147,634 of restricted funds and unrestricted funds of £35,911 (general) and £40,000 (designated).

Managed projects, where the Trust provides technical expertise and project management to a partnership, continued to be a feature of the Trust's activities. In addition to the income that passed through the Trust's books, staff managed an additional £53,764 of managed project work. Equally important is the amount of time, resources, 'gift in kind' given by partners and volunteers from the statutory, private and voluntary sectors, which adds significant value to the long term impact of Trust programmes and projects but which is not quantified in the accounts.

The Board of Directors extend their thanks to all the staff, volunteers and partners who have worked for Groundwork North London in the year.

Reserves Policy

The Board of Trustees has agreed a long term aim of holding unrestricted, free reserves equivalent to six months' (180 days) running costs. The Board believes this is a prudent level of reserves for a Charity based in Central London and is in line with other Groundwork Trusts.

The Board has agreed that a reasonable level of Reserves is required:

- to absorb short term set backs such as loss or delays in funding
- to finance working capital needs and fund time delays between the expenditure and receipt of funds
- to set aside funds for appropriate capital assets such as IT equipment and securing and developing suitable premises

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The Board will monitor unrestricted reserves on a quarterly basis and the Reserves Policy will be reviewed on an annual basis to assess the needs of the organisation

At the year end reserves shown in the balance sheet covered 154 days running costs (2006/07 145 days) Thus, we made further progress in moving towards the long term target

Operational Impact

Impact and Performance Measures	Unit	2007/2008 Actual	2007/2008 Target	2006/2007 Actual	2008/2009 Target
Physical Environmental Improvements					
Area of land	Square metres	23,351	30,000	42,522	33,000
Education and Community Involvement					
Young people actively involved in projects	Person days	6,038	10,350	10,497	7300
Adults actively involved in projects	Person days	8,325	13,000	8,132	13,390
Schools involved with Groundwork	No of schools	35	28	74	28
Training weeks provided	No of weeks	1,050	800	782	800
Integration of the Economy & Environment					
Businesses supported	No of businesses	9	50	59	35
Jobs created	No of jobs	64	23	40	25
Jobs safeguarded	No of jobs	22	22		22
Number and Type of Projects					
Total Projects Progressed	No of projects	151	165	169	170
Physical Environmental Improvements	No of projects	136	100	154	105
Education & Community Involvement	No of projects	131	121	14	121
Integrating Economy and Environment	No of projects	9	13	1	10

Overall

The figures show a mixed picture. We have underperformed on half of the measures listed and in the three areas of land improvements, and young people and adults actively involved in projects, the shortfalls are substantial. However, we have exceeded 5 of the 12 measures listed above, in most cases by reasonable margins (more than 20%), and met one other.

The shortfall on Physical Environmental Improvements was also caused by delays in getting some large schemes on site and the problems encountered in Haringey over procurement.

The Education and Community Involvement targets for involvement with projects were below target due to a combination of factors including

- Staff change on The Past On Your Doorstep (POYD) project,
- A three month delayed start for the Up to No Good project affecting young people, and
- More accurate recording of the time people spent attending the Camden Green Fair compared to previous years and reflects the type of projects we have delivered over the year

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We have been able to improve the outcomes of the Past on your Doorstep Project, which targets pupils at risk of being excluded by

- Reaching agreement with the funder to reduce the number of beneficiaries per course from 20 to a minimum of 8, thus
- Increasing the teacher to pupil ratio and ensuring that each pupil has easier access to teaching and training staff whilst on the programme who can support the pupils through behavioural issues,
- Creating and maintaining a learning environment where the pupil is more receptive to new information

We have exceeded the target for the number of schools involved with Groundwork by 20 percent.

Under Integration of the Economy and the Environment- the overall picture is a positive one. Although, the number of business supported is well down on the previous year, this reflects strategic intent as Environmental Business Services are not part of the service offering.

Jobs related targets were both met in the case of jobs created the target was exceeded by 200 percent.

Furthermore, the tightening up on the criteria for some Impact Measures and the introduction of new ones have distorted outcomes to a limited extent.

There was a variance of less than 10 percent between the target number of projects and the actual and of the three types of projects target, two exceeded their targets.

The criteria for some NPMs have been tightened and new ones have been introduced and this may distort the picture to some extent.

Success stories

Islington Greenspace Strategy

Groundwork, in partnership with Land Use Consultants, was commissioned by Islington Council to undertake a detailed audit and analysis of all of the Borough's 168 parks and open spaces, and green space on over 300 housing estates. The work, which had never previously been undertaken, was carried out in line with Planning Policy Guidance 17 on Open Spaces. The detailed findings are to be used to help inform future investment and management of the Borough's green spaces, and help the Borough win Green Flag status for more of its parks. Groundwork's main role in the project was to audit all the open spaces against agreed standards, and to gain input from the local community into their priorities for open spaces and engage them in the process.

Vicars Road

The project brief was to improve a well used but run down rear garden of a small block of flats, which are owned by Sanctuary Housing and are in LB of Camden. Groundwork carried out consultation with residents on how they would like the open space to be improved and created designs based on resident's wishes. Groundwork has tendered the works and improvements to the courtyard were completed in March 2008.

Queens Park Gardens

Working closely with Westminster City Council and members of the Friends of Queen's Park Gardens and Queen's Park Forum, a popular wildlife area in Queens Park Gardens has now been completed using local volunteers, who Groundwork co-ordinated and organised. Fencing and an outdoor classroom area have been installed and wildflower meadow has been planted. Ten sessions have been delivered with local community groups attending the formal "opening" in March, which was also featured on ITV News.

Lone Parents Employment

23 single parents qualified as Teaching Assistants by the end March 2008, of whom 5 had secured employment.

Green Behaviours

Groundwork was commissioned by the Islington Strategic Partnership's Environment and Sustainability Theme Group to undertake a programme of activities in deprived neighbourhoods in Islington to raise awareness of how individual behaviour and lifestyles affect both the local and the wider environment. Groundwork recruited and trained 12 local

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people to become Green Champions Through repeat door-knocking, the Green Champions engaged with residents face to face and encouraged them to identify and implement changes that will lead to them making greener lifestyle choices Communications material for the campaign was produced by sustainable communications agency Futerra Between December 2007 and March 2008 the green champions knocked on over 60,000 doors and spoke to 12,342 residents

Haringey Time Bank

Time banking is an exciting way for the community to come together and help each other through mutual volunteering The Haringey Time Bank has been up and running since December 2007 and is funded by the Well Being Theme group of the Haringey Strategic Partnership It aims to involve all members of the community, to generate community spirit, offer practical support to residents, promote healthy lifestyles, increase the skills and confidence of local people by promoting self worth and to offer support to local community and voluntary groups The Haringey Time Bank is focused on working in the Northumberland Park and White Hart Lane wards in the first instance A time broker is in post to carry out all necessary checks, to arrange time swaps and activities and to ensure that mental health service users and service providers are able to take advantage of the benefits the time bank has to offer To date over 50 local people and 10 organisations have become members of the time bank Exchanges, including IT classes for carers, reflexology and help with DIY, are underway

Objectives and Performance

The Trust started the year with the following strategic objectives

- *To develop and diversify our approach to the market and increase income for our work*
- *To change our shape and structure to improve our effectiveness, efficiency and viability*
- *To ensure excellence in delivery so that we can evidence our impact and know that we are succeeding*
- *To improve our relationships with key partners in order to better deliver projects and programmes in deprived communities*

Under each strategic objective, the trust set an additional number of objectives with identified measures, targets and actions (36 in total) Important objectives were set in relation to increasing programme income, expanding the trust's activities into the London Borough of Haringey, participating in the Groundwork London Joint Working Group, increasing BETA + score, achieving client satisfaction targets, reducing the trust's environmental impact, and developing relations with existing borough partnerships

Despite some challenges, the trust has had a successful year Whilst overall income is down on the initial business plan target, the year ended with a modest surplus £35,911 The expansion into Haringey was formally approved, although delivering the year one programme was hampered by procurement issues The programme in Westminster has been well received and the trust's reputation and track record in Islington is solid Following the failure of a number of funding bids during the year, it was agreed to review the trust's relationship with LB Camden - a process that has been open and positive, and will run into 2008/09 The trust participated in discussions concerning the establishment of Groundwork London and has contributed to the development of its strategy and roll-out of pan-London services and programmes

Client satisfaction scores are at an all-time high, and the trust's work has been praised by a range of partners and community representatives The trust's BETA + score increased for the second consecutive year and it retained its Investors in People status Delivering the trust's programmes has been demanding, particularly in quarters 2 and 3, and the staff team have worked extremely hard to meet deadlines and targets The trust has experienced a slightly higher level of staff turnover than targeted - those departing included the Executive Director who left in July However, the trust is fortunate in having an experienced and committed senior management team who have done an excellent job in driving the business forward, and successfully inducting the new ED

Current Position and Key Issues

In December 2007, the trust undertook a medium term analysis that highlighted the two dynamics in its recent history which when taken together have had an important bearing on its current position. Firstly, since 2001 the trust's business has been dominated by three ambitious borough expansions which have led to some stresses in terms of delivery, reputation and relationship management. As a result, there is a degree of unevenness in the trust's profile, reputation and operational programme across the four boroughs that it operates in. Secondly, from 2000 onwards and along with other Groundwork trusts operating in London, the trust expanded and diversified its offer around the six Groundwork themes and in recent years there has been a process of consolidation around the trust's traditional strengths of landscape and community focused work, whilst maintaining a significant employment programme that has been developed over the past five years.

In terms of the external operating context, recent months have seen a shift in local and central government policy towards tackling worklessness, improving economic competitiveness and improving individual social and economic mobility. As a result of the outcomes of the 2007 Comprehensive Spending Review and the adoption of new Local Area Agreement (LAA) targets from April 2008, the policy and funding landscape is changing rapidly, the shift to commissioning and procurement frameworks is likely to continue, funding bodies will increasingly be placing an emphasis on demonstrating outcomes rather than outputs, and competition for certain funding sources (e.g. Lottery) will continue to be intense.

The creation and development of Groundwork London as a stand-alone trust is a significant issue for Groundwork North London. Groundwork London's activities are already having an impact on programme development and delivery and in addition to deciding whether Groundwork North London should formally join the new trust, we will need to make a number of important decisions on how best to collaborate on pan-London services and programmes. Groundwork London has produced a strategy that outlines four key services that it will deliver: *Communities and Young People*, *Urban Landscapes and Open Spaces*, *Environmental Services*, and *Employment and Skills Training*. The ongoing development and delivery of our programmes will need to make appropriate reference to the work of Groundwork London in these services areas, and the Executive Director will take the lead on this process - significant progress is being made with Employment and Skills Training as a pan-London service and the trust supports this development.

Collectively, these present the trust with a challenging agenda over the medium term. Across all four boroughs, we need to continue to demonstrate the relevance of our offer whilst continuing to improve the quality of our work against the context of sharper competition, changing policy and funding priorities, and an increasing focus from commissioning bodies on outcomes (impact) and value for money. However, the trust is in a good position to build on its strengths and established position to grow and expand its activities in all four of the boroughs that it currently operates in, and it's this principle and ambition that underpins the direction forward.

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FUTURE PLANS

The continuing development and improvement of the trust's partnerships and relationships with each of the four local authorities is the most important business objective for 2008/09. This reflects the importance of the boroughs in terms of commissioning, strategic and financial support, and the role that they are increasingly expected to play in delivering environmental and community regeneration in their local areas. Setting this objective reflects the trust's current position within each borough, and our ambitions for future growth. In 2008/09, the trust aims to grow its project income in each of the following boroughs, excluding cross boundaries projects, as set out in the table below.

	<i>Project income 2007/8(actual)</i>	<i>Project income 2008/09(target)</i>
<i>Camden</i>	120k	284k
<i>Islington</i>	560k	608k
<i>Westminster</i>	375k	386k
<i>Haringey</i>	60k	303k
Total	1,115k	1,581k

In Camden, the trust will consolidate its position in the borough pending agreement on a new strategic relationship between Groundwork and the Council which we anticipate will be finalised during the year. In Islington, the trust will aim for modest growth, building on its links with Islington Council, Homes for Islington and other partners. In Westminster, the growth target reflects the trust's position to expand its existing programme given progress made in 2007/08. The ambitious target for Haringey reflects the relatively modest programme delivered in 2007/08 given difficulties with procurement and delays in getting the sponsorship agreement signed and establishing an effective borough steering group.

We aim to achieve these targets by adopting a more pro-active position to relationship management and ensuring that our operational programme and development activities continue to be in line with the priorities and needs of our clients and partners. We will ensure that effective steering groups are established and operating in each borough, and that trust staff meeting regularly with key officers and members, and other community and public sector representatives. We will also ensure that our marketing and communications activities are geared towards the needs of each borough, with a particular emphasis on raising and maintaining our profile and demonstrating the impact of our work.

In terms of the trust's programmes, we anticipate a continued focus on delivering land and communities-focused projects across all boroughs, with employment activities continuing to be a significant aspect of our operations. The trust's land and community programmes are expected to grow significantly over the next three years, in line with the growth of the trust's work in each of the four boroughs (see above). Other programmes (education, business and youth) remain relatively modest in terms of actual income and growth projections. The following table shows the income split across the trust's six programme areas, and the target for growth in 2008/09.

	<i>Programme income 2007/08(actual)</i>	<i>Programme income 2008/09(target)</i>
Land – reconnecting people with their surroundings	889k	1098k
Communities – building stronger neighbourhoods	415k	491k
Employment – developing skills and helping people find work	288k	306
Youth – helping young people realise their potential	20k	63k
Education – supporting schools deliver learning in and out of the classroom	21k	35k
Business – helping organisations manage their impact on the environment	4k	5k
Total	1,637k	1,998k

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We believe that these ambitions and targets demonstrate the trust's commitment to the Federation's strategic objective concerning the development of our approach to the market and increasing income, principally through the setting of income growth targets in all four boroughs, and adopting appropriate responses to the changing nature of funding opportunities. In addition to seeking external funding from sources such as the Lottery, charitable trusts and foundations, and private companies, we will position ourselves to access funding through commissioning and procurement opportunities, particularly in respect of local authorities and other statutory agencies.

The trust places an important emphasis on the collection and analysis of client satisfaction scores, and these are included as a key performance indicator. The scores measure a number of qualitative aspects of the trust's delivery and client management performance. Projects are scored between -10 and 10 and the aggregated score for all projects rose to 8.4 in September 2007. It is the trust's intention to maintain or improve this score. The trust aims for 50% of projects to score 5 or above. This latter target has been increased from 20% of projects.

The trust recognises the increasing need to demonstrate the impact of its work and will continue to assess appropriate evaluation measures, in partnership with other organisations including University College London. We intend to produce an impact report for each borough (following Groundwork UK's lead with its *Making a Difference Report 2006/07*). Along with the ongoing implementation of the trust's performance management systems, we believe that these targets demonstrate the trust's commitment to the Federation's strategic objective of ensuring excellence in delivery, knowing that we are succeeding, and evidencing our impact.

Finally, and as highlighted above, the trust will play a full role in the development of Groundwork London's approach to programme development and delivery, particularly those pan-London services that have already been identified. It is anticipated that some changes will be made to the trust's employment programme to ensure that it can benefit from a new approach to sharing resources, securing funding, quality assurance and outcome performance. Trust staff will work closely with colleagues in looking at improving systems and performance management across all Groundwork business units.

Groundwork London

Whilst not an objective in itself, the Board has at its last meeting on 22 April 2008 discussed and considered the option of formally joining Groundwork London. In assessing the relevant risks and benefits, the Board concluded that the Trust's future is potentially better served as part of Groundwork London and that it should make the decision in principle to merge at sometime in the near future.

The Board does, however, have the following concerns that would need addressing before making the final decision.

- Clarification as to how the many aspects of Groundwork London's business will work in operational terms, particularly the interface between local landscape and community teams and other staff outside the local team structure, and their respective responsibilities and accountabilities.
- Specification of the way in which decisions concerning resources and priorities will be made and who will make them. A particular concern is the lack of clarity about the powers, responsibilities and accountabilities accorded to Subregional Committees to enable them to determine priorities for their area and to hold staff accountable for delivery.
- Assurance on how Groundwork London will structure and organise itself to best ensure that it can access those additional funding and income streams that will add value to what Groundwork North London can achieve at the local level.

To assist with resolving these issues, the Board has set up a Working Group to lead the necessary discussions with Groundwork London and key partners and make recommendations to the Board at its meeting on 21 October.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements the Directors have -

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that are reasonable and prudent
- prepared the financial statements on the going concern basis

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law as the company directors we certify that

- so far as we are aware there is no relevant audit information of which the company's auditors are unaware, and
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

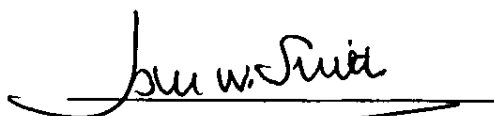
AUDITORS

A resolution reappointing Maurice Apple as auditors to the company will be put to the Annual General Meeting.

This report has been prepared in accordance with the statement of recommended practice 'Accounting and Reporting by Charities' (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 22 July 2008

And signed on its behalf by

 Treasurer
John Smith

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROUNDWORK NORTH LONDON

We have audited the financial statements of Groundwork North London for the year ended 31 March 2008 on pages 16 to 24 which have been prepared under the accounting policies set out on page 18 and 19

This report is made solely for the company's members, as a body, in accordance with S 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 the trustees and auditors

The charity's trustees who are also the directors of Groundwork North London for the purpose of company law are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the charitable 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 trustees' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985. In our opinion the information given in the Directors' Report is consistent with the financial statements.



Maurice Apple
Chartered Accountants and Registered Auditors
22 July 2008

3rd Floor, Marlborough House
179-189 Finchley Road
London, NW3 6LB

GROUNDWORK North London
(A Company limited by guarantee)
YEAR END 31 MARCH 2008

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an income and expenditure account)

	Note	Unrestricted Funds	Restricted Funds	2008	2007
Incoming Resources					
Incoming Resources from Generated Funds	2				
Voluntary Income		456,301		456,301	389,243
Investment Income		26,326		26,326	16,704
Activities for generating funds		4,448		4,448	1,827
Incoming Resources from Charitable Activities	3	96,700	1,540,055	1,636,756	1,769,997
Total Incoming Resources		583,775	1,540,055	2,123,830	2,177,771
Resources Expended					
Cost of Generating Funds	4				
Costs of generating voluntary income		5,021		5,021	17,173
Charitable Activities		394,020	1,392,421	1,786,441	1,910,827
Governance costs	5	12,123		12,123	19,370
Grantmaking activity	3	96,700		96,700	78,000
Total Resources Expended		507,864	1,392,421	1,900,285	2,025,371
Net incoming resources for the year		75,911	147,634	223,545	152,400
Reconciliation of funds					
Total funds brought forward		400,504	598,756	999,260	846,860
Total funds carried forward		476,416	746,390	1,222,806	999,260

All incoming resources and resources expended are derived from continuing activities

The Statement of Financial Activities contains all the gains and losses recognised in the current and preceding year

The notes on Pages 18 to 24 form part of these accounts

GROUNDWORK North London
(A Company limited by guarantee)
YEAR END 31 MARCH 2008

BALANCE SHEET AT 31 MARCH 2008

	Notes	2007/08	2006/07
		£	£
FIXED ASSETS			
Tangible fixed assets	9	15,576	11,940
CURRENT ASSETS			
Debtors	10	577,454	632,976
Cash at bank and in hand		831,948	488,322
		<u>1,409,402</u>	<u>1,121,298</u>
CREDITORS amounts falling due within one year	11	<u>202,172</u>	<u>133,978</u>
NET CURRENT ASSETS		<u>1,207,230</u>	<u>987,320</u>
NET ASSETS		<u>1,222,806</u>	<u>999,260</u>
FUNDS			
Unrestricted	15		
General		436,416	400,504
Designated		40,000	
		<u>476,416</u>	<u>400,504</u>
Restricted	14	746,390	598,756
		<u>1,222,806</u>	<u>999,260</u>

These accounts are prepared in accordance with the special provisions of part VII of the companies Act 1985 relating to small entities

The financial statements were approved by the Board/Trustees on 22 July 2008, and signed on their behalf by

Dinah Nichols

Dinah Nichols
Chair
22 July 2008

John Smith
Treasurer
22 July 2008

John Smith

The notes on Pages 18 to 24 form part of these accounts

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, Companies Act 1985 and Accounting and Reporting by Charities - Statement of Recommended Practice (revised 2005) ("SORP 2005")

The company has taken advantage of Paragraph 3(3) of Schedule 4 of the Companies Act 1985 and adapted the format to reflect the special nature of its charitable activities

b) Fund accounting

Unrestricted funds are available for use at the discretion of the directors/trustees in furtherance of the general objectives of the charity

Designated funds are unrestricted funds set aside at the Trustees discretion for specific future purposes or projects

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund

c) Incoming Resources

All incoming resources are recognised when the charity is legally entitled to the income, there is certainty of receipt and the amount can be quantified with sufficient reliability

Where grants or other arrangements giving rise to income require the charity to provide services or which are linked to the performance of particular services, these are recognised to the extent that the service has been provided or performance carried out. Where conditions are attached to grants or donations, the charity recognises these as income to the extent that it is certain that the conditions imposed can be met

Gifts in kind, including donated facilities and services, and managed income, are recognised as income at the estimated value to the charity

d) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the activity. An analysis of staff time has been used to produce a ratio by which overheads have been allocated to the various activities. The cost of generating funds includes the time spent promoting the Trust

NOTES TO THE FINANCIAL STATEMENTS

e) Charitable activities

The charity incurs costs on charitable objects in the categories set out below. Many projects span multiple charitable objects and costs are allocated between these based on the estimated usage of resources for each category.

- Community projects – activities to build stronger neighbourhoods
- Land projects – reconnecting people with their surroundings
- Employment projects – training for work and stimulating enterprise
- Education projects – Learning, citizenship and sustainability projects
- Business projects – integrating the economy and the environment
- Youth project – costs involved in helping young people realise their potential

f) Tangible fixed assets and depreciation

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

Leasehold improvements	- Term of the lease
Office equipment	- 5 years
Computer equipment	- 3 years

g) Pension Costs

The Trust subscribes to individual portable pensions covering all of its permanent employees. The trust's contributions are defined and no further liability accrues to the Trust under the scheme.

h) Leases

Rental costs under operating leases are charged to the statement of financial activities over the period of the leases.

i) Company Status

The Trust is a company limited by guarantee. The liability in respect of the guarantee, as set out in the memorandum, is limited to £1 per member of the company. There are 4 members.

GROUNDWORK North London
(A Company limited by guarantee)
YEAR END 31 MARCH 2008

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2. Incoming Resources from Generated funds

	Unrestricted Funds	Restricted Funds	2008	2007
Voluntary Income				
Grants for core funding	456,301		456,301	389,243
	<u>456,301</u>		<u>456,301</u>	<u>389,243</u>
Investment income				
Bank Interest	26,326		26,326	16,704
	<u>26,326</u>		<u>26,326</u>	<u>16,704</u>
Activities for Generating Funds				
Rental and other income	4,448		4,448	1,827
	<u>4,448</u>		<u>4,448</u>	<u>1,827</u>

3. Charitable Activities

Income was received for	Unrestricted Funds	Restricted Funds	2008	2007
Community Projects	42,936	371,586	414,522	387,742
Land Projects	53,764	835,218	888,982	939,373
Employment Projects		288,110	288,110	291,216
Education Projects		20,747	20,747	47,855
Business Projects		4,394	4,394	4,650
Youth Projects		20,000	20,000	99,162
	<u>96,700</u>	<u>1,540,055</u>	<u>1,636,755</u>	<u>1,769,997</u>
Income was provided by:	Unrestricted Funds	Restricted Funds	2008	2007
Central Government	245,413	1,000	246,413	230,198
Local Authorities	264,652	1,060,805	1,325,457	1,207,032
Public Agencies		215,805	215,805	229,992
Private and Charitable Trusts		297,883	297,883	266,932
European Union		897	897	35,205
Lottery		6,602	6,602	189,880
Other	30,774		30,774	18,531
	<u>540,839</u>	<u>1,582,991</u>	<u>2,123,830</u>	<u>2,177,771</u>

GROUNDWORK North London
(A Company limited by guarantee)
YEAR END 31 MARCH 2008

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Charitable Activities	Basis of allocation	Direct Costs	Support costs	2008	2007
Community Projects	Staff time	219,548	512,126	774,611	397,859
Land Projects	Staff time	368,993	313,802	639,859	1,108,052
Employment Projects	Staff time	162,479	40,680	203,159	226,950
Education Projects	Staff time	6,281	59,191	65,472	34,837
Business Projects	Staff time	19	17,647	17,667	34,556
Youth Projects	Staff time	9,953	75,720	85,673	108,573
		767,273	1,019,168	1,786,441	1,910,828

Grantmaking Activities	Basis of allocation	Direct Costs	Support Costs	2008	2007
Community Projects	Direct	42,936		42,936	78,000
Land Projects	Direct	53,764		53,764	
		96,700	-	96,700	78,000

Total resources expended	Voluntary income	Charitable Activities	Governance Costs	Grantmaking Activities	2008	2007
Direct costs		767,273	8,065	96,700	872,039	1,029,899
Staff costs	4,630	828,947	4,058		837,635	782,979
Travel	7	3,475			3,482	5,302
Accommodation	196	95,445			95,641	98,170
Office administration	72	35,118			35,190	36,667
Communications	47	22,832			22,879	23,858
Recruitment, training	44	21,464			21,508	11,836
PR and marketing	4	2,044			2,048	6,538
Depreciation	20	9,843			9,863	30,123
	5,021	1,786,441	12,123	96,700	1,900,285	2,025,371

Governance costs	2008	2007
Legal and professional	2,455	8,553
Audit fees	5,610	6,320
Staff costs	4,058	4,497
	12,123	19,370

6. Staff and Trustee costs	2008	2007
Salaries and wages	713,511	656,495
Social security costs	74,613	68,031
Pension costs	49,510	58,453
	837,635	782,979

GROUNDWORK North London
(A Company limited by guarantee)
YEAR END 31 MARCH 2008

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The average number of employees during the year, analysed by category was:

	2008	2007
Direct charitable	22	23
Governance, management and administration	3	3
	<u>25</u>	<u>26</u>

There were no employees during the year whose emoluments (excluding pension contributions) exceeded £60,000

7. Trustees

During the year Trustees were neither remunerated for any services nor reimbursed on expenses. No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity in the year (2007, Nil)

8. Net incoming/(outgoing) resources before transfers is stated after charging/(credited)

	2008	2007
Auditors' remuneration - audit services	5,610	6,320
Depreciation of owned assets	9,863	30,123
Operating lease rentals -land and buildings	80,000	80,000
-plant and machinery	9,166	3,969

9. Tangible Fixed Assets

	Leasehold improvements £	Office equipment £	Computer equipment £	Total £
Cost				
At 1st April 2007	92,823	38,886	44,374	176,083
Additions		3,327	10,173	13,499
At 31st March 2008	<u>92,823</u>	<u>42,213</u>	<u>54,547</u>	<u>189,582</u>
Depreciation				
At 1st April 2007	92,823	35,197	36,122	164,142
Charge		2,614	7,250	9,864
At 31st March 2008	<u>92,823</u>	<u>37,811</u>	<u>43,372</u>	<u>174,006</u>
Net Book Value				
At 1st April 2007	-	3,689	8,252	11,940
At 31st March 2008	<u>-</u>	<u>4,402</u>	<u>11,175</u>	<u>15,576</u>

10 Debtors

	2008	2007
Trade debtors	480,725	580,234
Other debtors and prepayments	96,729	52,743
	<u>577,454</u>	<u>632,976</u>

Included within other debtors and prepayments is £20,000 in respect of a rent deposit which is repayable after more than one year

GROUNDWORK North London
(A Company limited by guarantee)
YEAR END 31 MARCH 2008

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11. Creditors - amounts falling due within one year	2008	2007
Trade creditors	84,324	51,424
Other taxes and social security costs	109,453	66,660
Other creditors and accruals	8,394	15,894
	<u>202,172</u>	<u>133,978</u>

12. Obligations under operating leases	2008	2007
Expiring within two to five years	89,166	83,129
Expiring after more than five years		840
	<u>89,166</u>	<u>83,969</u>

13. Analysis of assets and liabilities between funds

	Unrestricted General Fund	Designated Fund	Restricted Fund	Total
Tangible Fixed Assets	15,577			15,577
Current assets excluding cash at bank and in hand	96,729		480,724	577,453
Cash at bank and in hand	441,957	40,000	349,991	831,948
Creditors amounts falling due within one year	(117,847)		(84,325)	(202,173)
	<u>436,416</u>	<u>40,000</u>	<u>746,390</u>	<u>1,222,806</u>

The trustees intend to use part of the unrestricted funds for the Groundwork London Integration and have set up a designed fund to reflect this

Movement in restricted funds

	1st April 2007	Income	Expenditure	31st March 2008
Community Projects	130,637	371,586	(447,745)	54,479
Land Projects	336,518	835,218	(562,884)	608,852
Employment Projects	21,093	288,110	(307,504)	1,698
Education Projects	26,670	20,747	(31,300)	16,117
Business Projects	6,243	4,394	522	11,159
Youth Projects	77,595	20,000	(43,510)	54,085
	<u>598,756</u>	<u>1,540,055</u>	<u>(1,392,421)</u>	<u>746,390</u>

Movement in unrestricted funds

	1st April 2007	Income	Expenditure	Transfers	31st March 2008
General fund	400,504	583,775	(507,864)	(40,000)	436,416
Designated GW London Integration Fund				40,000	40,000
	<u>400,504</u>	<u>583,775</u>	<u>(507,864)</u>	<u>-</u>	<u>476,416</u>

GROUNDWORK North London
(A Company limited by guarantee)
YEAR END 31 MARCH 2008

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

16. Pensions

The Trust makes payments to defined contribution scheme which is available to all employees on completion of their probationary period. The charge for the period was £49,733 (2007 £58,012)

17. Taxation

Groundwork North London is a Registered charity and exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

18. VAT

Residual input tax, where non reclaimable through non business activities, is charged to the accounts. The charge for 2008 was £8,375 (2007 £9,234)

19. Connected Charities

Groundwork North London is part of a Federation of various Groundwork trusts in England, Wales and Northern Ireland, each working with partners to improve the quality of the local environment, the lives of local people and the success of local businesses in areas of need of investment and support. Each trust has its own board of trustees and is supported by the national and regional offices of Groundwork UK.

20. Community and Land Grants

Amphill Square Tenants Association	2,024
St Michael's School	4,763
Calthorpe Project	4,894
Trustees of London Irish Centre Charity	3,500
St Patrick's School	5,000
Trustees of West Hampstead Women's Centre	2,764
London Wildlife Trust	800
Bengali Workers Association	1,500
8 Newton Street Tenants & Residents Association (TRA)	2,648
Covent Garden Dragon Hall Trust	4,300
Phoenix Garden	2,000
Mansfield Road TRA	760
West Euston Community Garden	3,000
St Joseph's School	1,000
Friends' of King Henry's Walk	1,200
London Borough Islington	783
Friends of Poole Park	1,000
Montem Primary School	1,000
Paddington Recreation Nature Area	50,736
Westbourne Green Play Area	2,354
New Trinity Mews Play Area	674
	<hr/>
	96,700