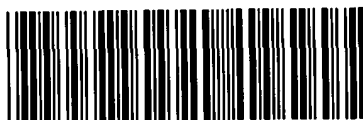


REGISTERED NUMBER: 02947274 (England and Wales)

Groundwork Environmental
Services (Leeds) Limited

Report of the Directors and
Financial Statements For The Year Ended 31 March 2018

SATURDAY



A7LBWJKH

A06

22/12/2018

#475

COMPANIES HOUSE

**Groundwork Environmental
Services (Leeds) Limited**

**Contents of the Financial Statements
For The Year Ended 31 March 2018**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Income Statement	6
Balance Sheet	7
Notes to the Financial Statements	8
Trading and Profit and Loss Account	11

**Groundwork Environmental
Services (Leeds) Limited**

**Company Information
For The Year Ended 31 March 2018**

DIRECTORS:	Mr N V Burr Mr A N Curtis Mr T Lincoln
REGISTERED OFFICE:	The Environment & Business Centre Merlyn Rees Avenue Morley Leeds LS27 9SL
REGISTERED NUMBER:	02947274 (England and Wales)
AUDITORS:	Allotts Business Services Ltd, Statutory Auditor Chartered Accountants The Old Grammar School 13 Moorgate Road Rotherham South Yorkshire S60 2EN
BANKERS:	Unity Trust Bank plc Nine Brindley Place 4 Oozells Square Birmingham B1 2HB
SOLICITORS:	Eversheds Cloth Hall Court Infirmary Street Leeds LS1 2JB

**Groundwork Environmental
Services (Leeds) Limited**

**Report of the Directors
For The Year Ended 31 March 2018**

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2017 to the date of this report.

Mr N V Burr
Mr A N Curtis
Mr T Lincoln

RESULTS FOR THE YEAR

A profit of £10,990 prior to gift aid (2017: £5,119) was made on turnover of £170,986 (2017: £237,264).

REVIEW OF BUSINESS

GES is a trading subsidiary of The Leeds Groundwork Trust, a charitable company whose objects are environmental and employment improvements in the City of Leeds.

Whilst GES is not directly involved in the provision of charitable services to the people of Leeds, it works closely with the Trust and its contribution to the success of the Trust is more than simply the gift aiding of an annual surplus. By delivering quality environmental services GES actively promotes the aims of the Trust and the national Groundwork network, often in areas where the Groundwork message has not previously been heard.

Whilst we have a clear focus on more commercial opportunities, our trading company remains important to the delivery of Groundwork's wider strategy in Yorkshire and the Humber, a process which brings added benefit to Leeds as overhead costs are shared and staff gain greater and wider experience. Both locally and nationally the Federation of Groundwork Trusts has also initiated a process of change and has renewed its overall strategy whilst introducing a new partnership agreement for Member Trusts. This process of change means that our work and development activity is being more closely aligned with that of fellow Groundwork Trusts. This has led to a number of interesting and useful developments already, including the shared development of design services with our colleagues in the North East, preparing for the next round of employability services and looking into new opportunities around social investment.

DIVIDENDS AND TRANSFERS TO RESERVES

The Directors do not recommend the payment of a dividend.

FUTURE DEVELOPMENTS

Our community-based activities will continue to expand, with the team aiming to win consultation and engagement tenders on a competitive basis across all operating areas. National programmes will provide opportunities to develop positive relationships with communities in new areas.

In general the Company continues to view positively the opportunities presented by the wider operating area, and the more diverse market this creates for our services, although it is mindful of the need to improve margins across all product ranges.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 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.

**Groundwork Environmental
Services (Leeds) Limited**

**Report of the Directors
For The Year Ended 31 March 2018**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

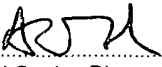
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Allotts Business Services Ltd, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


.....
Mr A N Curtis - Director

Date: 20 December 2018

Report of the Independent Auditors to the Members of
Groundwork Environmental
Services (Leeds) Limited

Opinion

We have audited the financial statements of Groundwork Environmental Services (Leeds) Limited (the 'company') for the year ended 31 March 2018 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

Without modifying our opinion on the financial statements, we draw attention to the disclosures made in note 2 to the financial statements concerning the company's ability to continue as a going concern and that of the group of which it is part. The company is reliant on the continued support of its parent company. The group had a small deficit for the year ended 31 March 2018. At that date the group net current assets were £46,054 including £50,479 accrued income due in more than one year. These and the other conditions detailed in note 2 indicate the existence of a material uncertainty which may cast significant doubt about the company's and group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Groundwork Environmental
Services (Leeds) Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the 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 company's members those matters we are required to state to them in a Report of the Auditors 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.



Mark Garrison BCom FCA DChA (Senior Statutory Auditor)
for and on behalf of Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
The Old Grammar School
13 Moorgate Road
Rotherham
South Yorkshire
S60 2EN

Date: 21/12/2018

**Groundwork Environmental
Services (Leeds) Limited**

**Income Statement
For The Year Ended 31 March 2018**

	Notes	2018 £	2017 £
TURNOVER		170,986	237,264
Cost of sales		110,915	175,161
GROSS PROFIT		60,071	62,103
Administrative expenses		49,086	56,984
		10,985	5,119
Other operating income		5	-
OPERATING PROFIT		10,990	5,119
Gift Aid donation to parent charity	3	-	4,231
PROFIT BEFORE TAXATION		10,990	888
Tax on profit		-	-
PROFIT FOR THE FINANCIAL YEAR		10,990	888

The notes form part of these financial statements

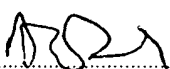
**Groundwork Environmental
Services (Leeds) Limited (Registered number: 02947274)**

**Balance Sheet
31 March 2018**

	Notes	2018 £	2017 £
CURRENT ASSETS			
Stocks		5,628	5,628
Debtors	5	58,200	72,937
Cash at bank		7,318	1,376
		<u>71,146</u>	<u>79,941</u>
CREDITORS			
Amounts falling due within one year	6	56,640	76,425
		<u>14,506</u>	<u>3,516</u>
NET CURRENT ASSETS			
		<u>14,506</u>	<u>3,516</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>14,506</u>	<u>3,516</u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Retained earnings		14,406	3,416
		<u>14,506</u>	<u>3,516</u>
SHAREHOLDERS' FUNDS			
		<u>14,506</u>	<u>3,516</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on ²⁰ December 2018 and were signed on its behalf by:


.....
Mr A N Curtis - Director

The notes form part of these financial statements

**Groundwork Environmental
Services (Leeds) Limited**

**Notes to the Financial Statements
For The Year Ended 31 March 2018**

1. STATUTORY INFORMATION

Groundwork Environmental Services (Leeds) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The going concern basis assumes that sufficient funding will continue to be secured from an increasing range of funding sources for the next twelve months. In certain areas funding has already been secured or identified for the financial year 2019/20. The historic decision to gift-aid surpluses means that GES has very limited levels of working capital. This necessitates a clear understanding of what is an acceptable level of cash-flow support from the parent company and the necessary cost of providing and receiving this support. The Board of GES have an ongoing dialogue with the parent Trust Board about the role it has in the future of the Group and have prepared projections and have contingency plans in place to match expenditure to income if need be to accommodate any anticipated future reductions in operational scope and scale.

Although a separate legal entity the company is fundamentally dependent on operational and administrative support from the parent undertaking.

The group had a deficit of £9,783 for the year ended 31 March 2018. At that date the group net current assets were £46,094, including £50,479 accrued income due in more than one year. The current economic climate provides for a challenging environment in which to operate. As well as diversifying and seeking new income sources the Trust has worked extensively with other regional Groundwork Trusts to make significant structural changes in order to make cost savings. In order to maximise the opportunities a regional Partnership Board has been established having representation from Groundwork Leeds, North Yorkshire and Wakefield. Further details of the group's future plans are set out in the group accounts.

As a wholly owned trading company we focus on smaller, more clearly defined shorter term projects. In terms of resources we buy in time from our parent charity and other specialist suppliers as and when these are needed - normally only once funding is secured. This reduces our risk significantly. Often we will share development costs (time) with our charitable or associated companies. For example Wakefield and North Yorkshire's GPL Landscaping Business and our own work together in terms of presenting a shared/combined offer to housing developers.

As well as focusing on a number of clear potential clients to work with we are also working with other regional Groundwork Trusts to better market our services across a wider geographical area. As noted above we are also pooling resources and expertise to upgrade marketing approaches and shape our development strategies.

The development of a more strategic approach for regional working and delivery places GES in a strong position to meet the requirements of the emerging regional agenda from the Combined Authority and City Region structures where we do not have charitable coverage.

The Board therefore considers it appropriate to prepare the accounts on a going concern basis.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover is attributable solely to the United Kingdom and is derived from the development and sales of environmental services.

**Groundwork Environmental
Services (Leeds) Limited**

**Notes to the Financial Statements - continued
For The Year Ended 31 March 2018**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Vehicles and plant	- 20% on cost
Other equipment	- 20% on cost
Computer equipment	- 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Grants receivable and project income

Income on projects is recognised according to the stage reached in the contract by reference to the value of work done. A prudent estimate of the profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty.

3. EXCEPTIONAL ITEMS

	2018 £	2017 £
Gift Aid donation to parent charity	-	(4,231)
	<u> </u>	<u> </u>

**Groundwork Environmental
Services (Leeds) Limited**

**Notes to the Financial Statements - continued
For The Year Ended 31 March 2018**

4. TANGIBLE FIXED ASSETS

	Vehicles and plant £	Other equipment £	Computer equipment £	Totals £
COST				
At 1 April 2017 and 31 March 2018	33,218	9,411	6,441	49,070
DEPRECIATION				
At 1 April 2017 and 31 March 2018	33,218	9,411	6,441	49,070
NET BOOK VALUE				
At 31 March 2018	-	-	-	-
At 31 March 2017	-	-	-	-

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	43,026	55,588
Prepayments and accrued income	15,174	17,349
	<u>58,200</u>	<u>72,937</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	16,943	1,063
Amounts owed to group undertakings	13,868	48,180
Social security and other taxes	3,068	-
Accruals and deferred income	22,761	27,182
	<u>56,640</u>	<u>76,425</u>

7. ULTIMATE CONTROLLING PARTY

The controlling party is the company's parent company, The Leeds Groundwork Trust.

Its registered office is The Environment & Business Centre, Merlyn Rees Avenue, Morley, Leeds, LS27 9SL.

Group accounts are available from Companies House.

**Groundwork Environmental
Services (Leeds) Limited**

**Trading and Profit and Loss Account
For The Year Ended 31 March 2018**

	2018		2017	
	£	£	£	£
Project income		170,986		237,264
Cost of sales				
Project costs		110,915		175,161
GROSS PROFIT		60,071		62,103
Other income				
Sundry receipts		5		-
		60,076		62,103
Expenditure				
Non-project costs	45,036		53,484	
Auditors' remuneration	4,050		3,500	
		49,086		56,984
		10,990		5,119
Exceptional items				
Gift Aid donation to parent charity		-		4,231
NET PROFIT		10,990		888

This page does not form part of the statutory financial statements