

Company Registration No: 4914470
Charity Registration No: 1102249



GRANTSCAPE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2008

GRANTSCAPE

Financial statements For the year ended 31 March 2008

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Report of the Trustees (including the Directors' report) for the year ended 31 March 2008

Reference and Administrative Details

Registered office

Office E, Whitsundoles
Broughton Road
Salford
Milton Keynes
MK17 8BU

Registered number

4914470

Charity registration number

1102249

ENTRUST enrolment number

341010

Trustees

David Bramley
Chris Brown
Douglas L de Freitas
Andrew Ladds (resigned 31 December 2007)
Alan Loynes (appointed 28 January 2008)
Jacqueline Rae
Alastair Singleton (appointed 28 January 2008)
Sheila Torrance (appointed 28 January 2008)

Secretary

Patricia A England

Chief Executive

Steven J Hargreaves

Auditor

Chantrey Vellacott DFK LLP
Russell Square House
10-12 Russell Square
London
WC1B 5LF

Bankers

Lloyds TSB Bank plc
25 Gresham Street
London
EC2V 7HN

Solicitors

Stone King Sewell LLP
16 St John's Lane
London
EC1M 4BS

GRANTSCAPE

Report of the Trustees (including the Directors' report) for the year ended 31 March 2008

The trustees, who are also the directors for the purposes of the Companies Act, are pleased to present their report and the financial statements of the charity and the group for the year ended 31 March 2008.

Structure, Governance and Management

Governing document

GrantScape is a company limited by guarantee governed by its Memorandum and Articles of Association. The company is registered as a charity with the Charity Commission. The trustees of the charity are also its members. The Memorandum and Articles have been reviewed and revised during the year, and the revisions were adopted by Members' Written Resolution on 16 July 2007.

Recruitment and appointment of trustees

As set out in the Articles of Association, a maximum of nine trustees can now be appointed. This helps to ensure a balanced skill set, an enduring affinity with the charity's business and objectives and the ability to develop the organisation.

An open recruitment exercise, using advertisements in the national press, was undertaken in 2007. This resulted in the appointment of three new trustees in January 2008, bringing the current number of trustees to seven.

Trustee induction and training

An induction day for new trustees is held at the charity's main office and provides an opportunity for trustees to meet the staff and the senior management team. Key areas of the organisation's activity are explained and the trustees are able to visit some local projects. New trustees are also given a trustee handbook, which includes copies of all key documents, together with relevant Charity Commission guidance. Handbooks are recalled and updated as required for all trustees. Trustees are encouraged and supported to attend appropriate external training events and are expected to keep up to date with changes in regulation and good practice that impact GrantScape.

Formal Induction and Training Policies were adopted in November 2005 and are still considered to be appropriate.

"Good Governance"

Following an audit by a trustee/executive working party on the provisions detailed in "Good Governance: A Code for the Voluntary and Community Sector", GrantScape is able to confirm that it complies with the code or can explain why where it does not.

Subsidiary Undertakings

The charity is the sole member of EB Nationwide Limited, a company limited by guarantee which was established in 1997 to receive donations and make grants under the auspices of the Landfill Communities Fund ("LCF") (previously the Landfill Tax Credit Scheme or "LTCS"). Remaining obligations under grants made in earlier years have been fulfilled during the year and an application for winding up the company was made in March 2008. The company was dissolved on 19 August 2008.

The charity's wholly owned subsidiary, GrantScape Services Limited, was established in August 2004 to undertake trading activities including consultancy and administration of grant programmes for third parties.

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Report of the Trustees (including the Directors' report) for the year ended 31 March 2008

During the year, GrantScape staff have also dealt with the affairs of EB Nationwide Limited and GrantScape Services Limited within the delegated authority conferred by the boards of those companies.

Organisation

The charity has administrative and financial control procedures in place to ensure that its affairs are managed effectively. A board of trustees, who meet regularly, administer the charity. The Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. He is supported by three Senior Managers (Grants; Business Development and Finance) each of whom has a small team of staff. To facilitate effective delivery of the charity's business and development, the Chief Executive directs and manages all operational matters within a carefully prescribed delegation of authority, which has been reviewed during the year. The charity maintains a policy of equal opportunities and is committed to the training and personal development of its staff and trustees. Ongoing training programmes were fulfilled during the year and a transparent and inclusive approach was taken in all recruitment activities. The trustees are therefore confident that the charity is staffed by competent people who are able to undertake their duties to a high standard.

The charity performs its business within the Quality Framework laid down by the Association of Charitable Foundations. It has maintained compliance with Levels 1 and 2 and now complies with a substantial element of Level 3 of the Framework. Also, GrantScape has developed a framework for monitoring continuous improvement of the organisation. This demonstrates not only fitness for purpose as a grant-maker, but also a commitment to developing and improving internal systems and controls to an advanced level of practice not normally found in charities of GrantScape's size.

The charity pursues an overall policy of transparency and clear communication. The board of trustees is required to confirm a 'declaration of interest' before any formal meeting, thereby managing any risk of conflict of interest. This is in addition to an annual conflict of interest return completed by all trustees and staff.

No trustee had any beneficial interest in any contract with the charity during the year, save that described in Notes 9 and 20 to the financial statements.

ENTRUST

The charity is enrolled as an environmental body (EB) with ENTRUST (enrolment number 341010). Its subsidiary EB Nationwide Limited has been enrolled as an environmental body throughout the year (enrolment number 760828), but applied for de-registration in April 2008. ENTRUST is the regulatory organisation which oversees the operation of environmental bodies enrolled under the LCF. During the year under review, ENTRUST charged a levy of 2% on all donations received from landfill operators.

Risk Management

The trustees have a risk management strategy which includes:

- regular review and update of the group's Risk Register;
- the establishment of systems and procedures to manage the risks identified, where possible;
- the implementation of procedures designed to minimise any potential impact on the group should those risks materialise;
- reporting the major risks identified to the board at each of its meetings.

As part of the business plan development process, the main risks facing the group have been reviewed and are identified as:

- lack of sufficient incoming resources to fund future grant programmes and the administration of the charity;
- being reliant upon too few benefactors;
- being reliant upon the LCF for all of the charity's grant programmes;
- GrantScape Services Limited failing to generate sufficient profits;

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Report of the Trustees (including the Directors' report) for the year ended 31 March 2008

- lack of sufficient public awareness of the charity and the grant programmes and services it offers;
- the need to balance people skills and core competencies against the requirements of the organisation.

Specific actions taken to manage these risks include:

- securing formal agreements to manage ongoing LCF grant programmes;
- appointing an additional member of staff to support the Business Development Director ;
- focusing on activities to raise the profile of the charity with existing and potential stakeholders;
- developing a new, internally managed website;
- enhancing GrantScape's position as a major environmental grant maker by continuing with the annual Biodiversity Challenge Fund;
- ongoing training and development of staff.

Increasingly, the identification of risk is being built into the main strategic planning process, rather than being treated as a separate activity. Also, future reporting to the board will include any changes identified in either the impact or probability of major risks occurring.

Objectives and Activities

The objects of the charity are to promote the protection, preservation and improvement of the environment for the benefit of the public and to advance the education of the public in matters concerning the environment, its conservation and protection and in particular:

- to promote reclamation, remediation, restoration or any other operation to facilitate the economic, social or environmental use of land where its use has been prevented or restricted by pollution damage because of its previous use;
- to promote any operation intended to prevent or reduce any potential causes for pollution or to remedy or mitigate the effects of any pollution or land which has suffered or may suffer pollution as a result of a previous activity carried out on the land;
- to promote research and development (including the dissemination of the useful results of that research) and to educate the public in the benefits of sustainable waste management practices;
- to promote research and development (including the dissemination of the useful results of that research) and to educate the public in the benefits of recycling waste;
- to promote the provision, maintenance or improvement of a public park, recreation ground, open space or other public amenity for the protection of the environment provided that they shall not be operated for profit;
- to promote, where it is for the protection of the environment, the maintenance, repair or restoration of a building or other structure which is a place of religious worship or of historical architectural interest, which is open to the public;
- to promote, where it is for the protection of the environment, biodiversity of the natural habitat of land or in water;
- to promote the efficiency and effectiveness of charities by the provision of support and administrative or other similar services to charities;
- to promote the effective use of resources for charitable purposes by charitable and non-charitable bodies.

The charity's mission is to improve the environment and communities by the channelling and management of charitable funding towards deserving and quality projects.

The charity's main activity remains that of making grants from donations received from landfill operators under the LCF. All projects supported must also be compliant with the objects of that fund.

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Report of the Trustees (including the Directors' report) for the year ended 31 March 2008

Grant Making Policy

The charity's grant-making policy, adopted in January 2006, was reviewed by the trustees in January 2008 and remains unchanged. It states that:

- GrantScape will only make grants in line with its charitable objects;
- grants will be made on a justifiable and fair basis to projects which provide best value;
- grants will be made to projects that improve the environment and the life of communities;
- GrantScape will make available specific criteria for each of the grant programmes that it manages;
- all grants are subject to meeting the generic grant-making criteria as well as the specific grant programme criteria.

The charity has run the following grant programmes during the year:

Donor	Programme	Applications closed	Awards announced	Value (approx)
Caird Bardon	Caird Bardon Community Programme	Ongoing	Ongoing	£300K pa
CWM Environmental	CWM Community and Environmental Fund	Ongoing	Ongoing	£200K pa
Waste Recycling Group	Biodiversity Challenge Fund 2007	April 07	July 07	£2M
Waste Recycling Group	Community Heritage Fund (Windmill & Watermill Challenge)	Sept 07	Nov 07	£600K
Waste Recycling Group	Milton Keynes Grant Programme	March 07	June 07	£100K

In addition to these programmes, the charity has continued to administer LCF grants from earlier programmes.

The table below summarises activity, in both volume and value, in committing funds to grants and bringing them to contract. There can be substantial time delays, outside the control of the charity, between the awarding of grant funding by the board of trustees (at which point the funds are deemed to be committed) and the signing of the funding offer letter, when the full cost of the grant is charged to the accounts. This is why some commitments have been carried forward at the end of the financial year. However, every effort is made to ensure that the process is completed in as timely and efficient a way as possible. Inevitably, some projects awarded grants do not go ahead (shown as "withdrawn during the year").

The following table shows this activity split between the three main LCF donors:

Donor:	Waste Recycling Group		Caird Bardon		CWM Environmental		Total	
	No	£'000	No	£'000	No	£'000	No	£'000
Grant commitments b/fwd	5	432	2	64	1	150	8	646
Committed during the year	25	2,776	10	399	10	162	45	3,337
Withdrawn during the year	(1)	(50)	-	-	-	-	(1)	(50)
Contracted during the year	(17)	(1,546)	(6)	(269)	(7)	(266)	(30)	(2,081)
Grant commitments c/fwd	12	1,612	6	194	4	46	22	1,852

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Remaining funds from Waste Recycling Group (WRG) are earmarked for the Biodiversity Challenge 2008. This funding is to be split into three nature conservation programmes – a local one in Bedfordshire and Luton (£100,000), an urban programme in Inner London (£300,000) and a national challenge (£1.3M). Partners are being sought for the latter two programmes, and so the final size of these is still to be confirmed.

Other Group Activities

Additionally, the charity and its trading company continue to position themselves in areas away from the traditional activity of LCF grant-making. This has started to generate additional revenue streams. Perhaps more importantly, the GrantScape name is becoming better known and second tier infrastructure bodies are becoming aware of GrantScape and the services it provides.

Achievements and Performance

GrantScape delivered its third annual Biodiversity Challenge in 2007 and committed a further £2M to six projects. This now brings the total of our Biodiversity Challenge funding to £8M and 20 grants over the past three years. These grants are making a significant impact in helping to deliver important UK biodiversity conservation work.

Also in 2007, we successfully launched and delivered a Community Heritage grant programme specifically for the restoration of important windmills and watermills in England that are open to the public. With the help of a specially formed Advisory Group, this Challenge resulted in £600,000 being committed to eight grants. This programme also encouraged the use of renewable energy sources. Two of the projects for which grants were approved will be including electricity generation to help make their mills sustainable into the future. In terms of how GrantScape managed the grant process, feedback from the specialist Advisory Group was excellent. This emphasises GrantScape's major strength of managing the grant process for any size or type of fund.

The CWM Community and Environmental Fund and the Caird Bardon Community Programme have completed the first year following the signing of formal agreements. Review meetings to discuss progress have been held with both benefactors. Feedback has been extremely positive, with both organisations confirming that GrantScape continues to provide a professional and excellent service at all times.

We have continued to develop the use of the on-line grant application form, which is proving very successful. Applications to both the CWM Community and Environmental Fund and the Caird Bardon Community Programme use this process. For our larger, more complex grant programmes, the on-line system is used, although supplementary project plans and financial budgets are requested as additional e-mail documents. This worked very well for the Community Heritage grant programme. All future grant programmes will be designed around the principles of a paper-free application process.

Another element of our continuous development has been to undertake a strategic IT review during the current year, utilising the techniques learnt on a "Net:gain" training course, together with support from an external consultant. The key factors identified were a need to improve internet access, bring email in-house and improve accessibility for remote users. These will be addressed during the forthcoming year.

Trading Subsidiary Performance

Work has been undertaken to assist a large membership organisation to improve its awards and bursary services. Fundraising support has also been provided to a small number of charities during the year, and contacts were developed with fundraising consultancies in order to facilitate mutual referrals. A contract to provide fundraising training in Scotland was obtained in the last quarter of the financial year, and a further training job has been secured.

Towards the end of the year it was recognised that a significant part of the work being sought by the group is charitable in nature. Therefore it was decided that the group should refocus its activity so

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that development is carried out at group level. GrantScape Services Limited will then undertake any trading or non-charitable work, utilising the expertise in grant-making processes and administration from within the charity as required.

Financial Review

Incoming resources

New LCF funds have been received this year from Caird Bardon (£291,017) and CWM Environmental (£220,851). GrantScape has also secured a grant of £50,000 from Biffaward on behalf of the Naseby Battlefield Trust, and is acting as the EB in respect of the grant. During the year £39,000 has been claimed; the balance of £11,000 has been claimed since the year end. A return of unspent funds of £9,552 plus accrued interest of £112,363 has been received from WREB now that the development of a major paper-processing plant in North Wales, to which several of the large EBs contributed, has been completed. These funds are returned to the WRG "Funds not yet committed" reserve.

External consultancy and advice work has generated income of £4,675.

A further significant source of income during the year has been interest receivable of £594,546.

Resources expended

All LCF donations received are subject to a 2% levy by the LCF regulator, ENTRUST, giving a cost of £10,237 in the year.

All charitable activity in the year related to LCF grant-making, with a total of £2,130,391 new grants being contracted. A sum of £392,030 was returned to available funds as a result of projects being withdrawn or completing for less than the contracted amount. Other direct costs relating to grant-making, including costs of specialist Advisory Groups, legal fees and IT support costs amounted to £9,274. The administrative and support costs associated with grant-making activity totalled £389,865 in the financial year.

Governance costs of £52,280 relate to the running of the charity, rather than the operational activities. This sum includes £30,286 of attributable support costs, relating to the time incurred in governance matters by the senior management team, and principally the Chief Executive.

Subsidiary undertakings

GrantScape Services Limited has carried out a small number of consultancy assignments. During the year the company earned income of £4,633 and received bank interest of £1,802. The company made a net loss of £2,203 in the year.

EB Nationwide Limited received income during the year, and its assets have been managed by GrantScape. During the year all the grants contracted by EB Nationwide Limited have been completed. Where grants have been withdrawn or completed with an underspend, such amounts are credited to grant costs in the Income and Expenditure account. All surplus funds arising have been transferred to GrantScape for future allocation.

Reserves

A significant proportion of funds in reserves relates either to monies allocated as grants, but not yet contracted, or monies earmarked for future grant programmes. These amounts are held as separate designated reserves, in order to aid understanding and reflecting the fact that they are for a specific purpose and do not form part of the charity's "free reserves". The designations adopted are:

- i) LCF funds not yet committed – reflects the balance of LCF funds available for distribution as grants. The reserve is sub-analysed by donor. Funds are transferred from this to the "committed not yet contracted" reserve following funding decisions

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taken at trustees' meetings. Where grant recipients do not draw down all funds granted, or where grants are withdrawn after being contracted, funds not utilised are returned to this reserve;

- ii) LCF funds committed not yet contracted – this designation represents funds allocated to grants, but awaiting a formal funding agreement. Outgoing resources represent grants for which a formal funding offer is now in place. Again, the reserve is sub-analysed by donor. Where grants are withdrawn before being contracted, surplus funds are transferred back to “funds not yet committed”;
- iii) LCF Administration Reserve – historically, as LCF funds have been received, 10% has been retained to cover future grant administration costs. These designated funds are to enable the charity to complete the administration of grants, despite the current low level of LCF income.

The residual “free reserves” are non-LCF reserves. These funds, built up from consultancy activity and including profits gift-aided by GrantScape Services Limited, are important as they provide the charity with funds to invest in developing new activities outside the LCF.

A table of the balances and movements on these designated funds can be found in note 16 of the accounts.

Reserves policy

The board recognises the need to hold charitable funds as free reserves in order to fund contingencies, and to develop the wider activities of the charity.

The existing activity of grant-making and administration of grants given under the LCF and the ongoing monitoring and auditing the grants given in order to comply with the interpretation of the Landfill Tax Regulations, will be met from the designated LCF Reserves. The level of funds held in the LCF Administration Reserve will be reviewed at least annually and any excess amounts released for grant-making.

In this transitional period, the charity requires adequate free non-LCF reserves to cover both general overhead and development costs as it works to establish new income streams which will sustain future charitable activity.

Until such time as new income streams are established, it is our policy to hold all non-LCF surpluses generated as free reserves in order to meet reasonable overhead and development costs as they arise. However, the trustees are keen for the charity to be in a position to establish new and sustainable grants programmes as soon as possible, and will be reviewing income and reserves forecasts regularly to identify when this point is reached.

The free reserves, which represent monies generated by the group outside the scope of the LCF, currently stand at £93,916.

This policy was reviewed in March 2008 and was still considered to be appropriate to meet the needs of the group.

Investment policy

The board recognises the need to maximise the returns on the money the group holds. However, because the money is required either under a grant offer or for administering grant-making, only low risk investments are appropriate. These will be short-term deposits:

- in EU banks or building societies; or
- on the money market.

No other form of investment will be permitted.

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Report of the Trustees (including the Directors' report) for the year ended 31 March 2008

The investment policy was last reviewed in March 2008 and was still considered to be appropriate to meet the needs of the group.

Plans for Future Periods

The charity and the trading subsidiary are both working towards the strategic five year goals established as part of GrantScape's Business Plan for the period 2007-12, which was approved in early 2007:

- to be recognized as the UK 's leading environmental grant-maker;
- to ensure that GrantScape does not depend on any one benefactor for more than 33% of its income;
- to ensure sustainability by increasing the non-LCF activity to at least 50%;
- to be in the top 1% of UK grant-makers.

It is envisaged that within the plan period GrantScape will commence its own grant-making using the surpluses and profits generated from non-LCF activities. In the shorter term, the charity will continue to develop its LCF grant-making and undertake grant-making from other benefactors.

The group has reviewed its offerings and aligned them to the core skills within the charity. For simplification, it has been decided that GrantScape Services Limited will only undertake those activities that the charity is unable to perform because they are not charitable or because they fall outside its objects. A marketing action plan will be rolled out, targeting the specific sectors we believe are most likely to benefit from our offerings.

There is a commitment to continuous improvement within the group. Work will be undertaken to ensure that our processes and the services provided continue to develop, both in response to feedback received from consumers of our services and through our own review of the way the charity operates.

Statement of Trustees' responsibilities

Company law requires the trustees to prepare financial statements which give a true and fair view of the state of affairs of the charity and its subsidiaries at the end of its financial year and of the surplus or deficit of the group for the year then ended. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and 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 group will continue in business.

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

Each trustee, who was a director of the charity at the date that this report was approved, has taken all steps that they ought to have taken as directors in order to:

- make themselves aware of any relevant audit information (as defined by the Companies Act 1985); and
- ensure that the auditor is aware of all relevant audit information (as defined).

As far as each director is aware, there is no relevant audit information of which the charity's auditor is unaware.

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Report of the Trustees (including the Directors' report) for the year ended 31 March 2008

The maintenance and integrity of the charity's website is the responsibility of the trustees. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

Approved by the Board on 29 September 2008 and signed on its behalf by:

**D Bramley
Chairman**

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Independent Auditor's Report to the Members of GrantScape

We have audited the financial statements of GrantScape for the year ended 31 March 2008 which comprise the Group Statement of Financial Activities, Group Balance Sheet, Company Balance Sheet, and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As described in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of GrantScape for the purposes of company law) are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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 report to you whether in our opinion, the information given in the Report of the Trustees is consistent with the financial statements.

We also report to you if, in our opinion, 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 directors' remuneration and other transactions with the charitable company is not disclosed.

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

Basis of audit opinion

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

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Independent Auditor's Report to the Members of GrantScape

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and the group as at 31 March 2008 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Trustees (including the Directors' Report) is consistent with the financial statements.

CHANTREY VELLACOTT DFK LLP

Chartered Accountants
Registered Auditor

LONDON

GRANTSCAPE

Consolidated Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 March 2008

	Notes	Unrestricted funds 2008 £	Unrestricted funds 2007 £
Incoming resources			
Incoming resources from generated funds			
Voluntary income - donations under LCF	2	674,231	601,572
Activities for generating funds - consultancy	4	4,675	67,864
Interest receivable	3	594,546	634,445
Total incoming resources		1,273,452	1,303,881
Resources expended			
Costs of generating funds			
Costs of generating voluntary income - ENTRUST fee		10,237	8,600
Costs of consultancy services		77,088	65,811
		87,325	74,411
Charitable activities			
LCF grants and grant-making	5	2,137,500	3,932,892
Governance costs	6	52,280	64,609
Total resources expended		2,277,105	4,071,912
Net outgoing resources, being net expenditure for the year and net movement in funds		(1,003,653)	(2,768,031)
Fund balances brought forward at 1 April 2007		5,662,891	8,430,922
Total funds carried forward at 31 March 2008	16	4,659,238	5,662,891

There is no difference between the net outgoing resources for the year stated above and the historical cost equivalent.

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

All incoming resources and resources expended derive from continuing activities.

The notes on pages 15 to 25 form part of these financial statements

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Balance sheets at 31 March 2008

	Notes	Group 2008 £	Company 2008 £	Group 2007 £	Company 2007 £
Fixed assets					
Tangible fixed assets	11	1,715	1,715	8,841	1,979
Investment in subsidiary undertaking	12	-	1	-	1
		<u>1,715</u>	<u>1,716</u>	<u>8,841</u>	<u>1,980</u>
Current assets					
Debtors	13	131,480	151,799	287,268	311,608
Cash at bank and in hand		9,045,505	9,012,238	11,502,395	11,472,303
		<u>9,176,985</u>	<u>9,164,037</u>	<u>11,789,663</u>	<u>11,783,911</u>
Creditors:					
Amounts falling due within one year	14	(2,707,550)	(2,696,950)	(4,518,238)	(4,547,716)
		<u>6,469,435</u>	<u>6,467,087</u>	<u>7,271,425</u>	<u>7,236,195</u>
Net current assets					
		<u>6,471,150</u>	<u>6,468,803</u>	<u>7,280,266</u>	<u>7,238,175</u>
Total assets less current liabilities					
Creditors:					
Amounts falling due after more than one year	15	(1,811,912)	(1,811,912)	(1,617,375)	(1,617,375)
		<u>4,659,238</u>	<u>4,656,891</u>	<u>5,662,891</u>	<u>5,620,800</u>
Net assets					
Represented by:					
Total funds - unrestricted	16	<u>4,659,238</u>	<u>4,656,891</u>	<u>5,662,891</u>	<u>5,620,800</u>

Approved by the trustees and authorised for issue on 29 September 2008 and signed on their behalf by:

.....
D L de FREITAS
 Trustee

The notes on pages 15 to 25 form part of these financial statements

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Notes to the financial statements For the year ended 31 March 2008

1 Accounting policies

a) Basis of accounting

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

b) Basis of consolidation

The group financial statements consolidate those of the charity and its subsidiary undertakings drawn up to 31 March 2008. The results of the charity's non-charitable subsidiaries, EB Nationwide Limited and GrantScape Services Limited, have been consolidated on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of the SORP.

c) Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised 1996) from including a cash flow statement in the financial statements on the grounds that the group is small.

d) Incoming resources

- i) LCF donations are recognised on a receivable basis;
- ii) Other donations, including gift aid donations, are recognised on a receivable basis;
- iii) Income from commercial trading activities (consultancy; project management; grant scheme administration) is recognised as earned;
- iv) Interest receivable is recognised on a receivable basis.

e) Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive, where applicable, of any VAT which cannot be recovered and comprise the following:

- i) Costs of generating funds includes those costs and attributable support costs directly related to the consultancy and project management activities undertaken;
- ii) Charitable activities comprise expenditure on the charity's primary charitable purposes as described in the Report of the Trustees, and include:
 - grant expenditure – grants for projects are recognised in full in the accounts once a signed funding offer is in place, since control for meeting the conditions of the grant (the "milestones") passes to the grant recipient regardless of the expected duration of the grant;
 - other direct expenses and attributable support costs incurred on the specific objects of the charity.
- iii) Governance costs comprise costs incurred (including attributable support costs) on the governance of the charity, (organisational and strategic procedures) and the necessary legal procedures for compliance with statutory requirements, as shown in note 6.

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Notes to the financial statements For the year ended 31 March 2008

f) Fund accounting

The general fund (free non-LCF reserve) comprises those monies which may be used towards meeting the charitable objects of the charity at the discretion of the trustees.

Designated funds are monies set aside out of general funds and designated for specific purposes by the trustees. The charity has designated funds as shown in note 16.

Restricted funds are monies donated for a specific purpose. The charity has no restricted funds.

g) Tangible fixed assets

All assets costing more than £500 and with an expected useful life of more than one year are capitalised. Depreciation is not charged on expenditure on assets not yet in use. Depreciation on other tangible fixed assets is charged so as to write off their full costs, less estimated residual value, over their expected useful lives at the following rates:

Office equipment:	
Office furniture	- 20% of cost
Other office equipment	- 33 ¹ / ₃ % of cost
Computer software	- 50% of cost

h) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities/Income and Expenditure account on a straight line basis over the period of the lease.

i) Pensions

The charity provides a defined contribution pension scheme, the assets of which are held separately from those of the charity in an independently administered fund. This is a group personal pension scheme, to which the charity contributes 11% of gross salary. Contributions to this scheme are charged to the Statement of Financial Activities/Income and Expenditure account as they become payable.

2	Voluntary income	2008	2007
		£	£
	LCF donations receivable from the following landfill operators:		
	CWM Environmental Ltd	220,851	174,271
	Caird Bardon Ltd	291,017	255,789
	Transferable from other enrolled bodies	162,363	171,312
	Funds returned from sale of assets	-	200
		674,231	601,572
3	Interest receivable	2008	2007
		£	£
	Bank interest	594,546	634,445

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Notes to the financial statements For the year ended 31 March 2008

4	Activities for generating funds	2008	2007
		£	£
	Consultancy and project management	4,675	13,050
	Grant programme administration	-	54,814
		4,675	67,864
5	Charitable activities	2008	2007
		£	£
	Grants contracted	2,130,391	3,748,064
	Grants no longer required	(392,030)	(176,883)
	Other direct costs	9,274	22,204
	Salary and related costs	287,150	263,646
	Other attributable support costs	102,715	75,861
		2,137,500	3,932,892

All grants are made to organisations or properly constituted groups. At present, all grant-making activity relates to funds received under the LCF, so grants must also meet the requirements of that Fund. An analysis of the grants contracted split between the three main donors can be found at note 16.

The following table summarises grants contracted, analysed by LCF object, which closely relates to the objects of the charity:

Object:	No	£
d Provision, maintenance or improvement of public amenities	27	816,991
da Biodiversity of the natural habitat	4	1,313,400
	31	2,130,391

The following 31 grants, with a value of £2,130,391 were contracted by the charity during the year:

Project applicant and name	LCF object	Contracted amount (£)
DEVON WILDLIFE TRUST <i>Working Wetlands - Rebuilding the Biodiversity of Devon's Culm Grasslands</i>	da	400,000
RSPB <i>Arne GrantScape Heathland Management Project</i>	da	318,400
KENT WILDLIFE TRUST <i>Hothfield Common, Ashford, Kent - Biodiversity Extension, Purchase and Habitat Restoration</i>	da	301,000
FORESTRY COMMISSION <i>Wyre Forest Landscape Partnership Scheme - Rejuvenating Traditional Orchards, Special Trees and Ancient Hedgerows</i>	da	294,000
THE NATIONAL BOTANIC GARDEN OF WALES <i>Great Glass-house Enhancements</i>	d	62,999
TWYFORD VILLAGE HALL <i>Twyford Village Hall, Twyford, Extension</i>	d	46,417
MILTON KEYNES COUNCIL <i>SK8MK - Honey-pot Skateable Sculptures</i>	d	19,450

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Notes to the financial statements For the year ended 31 March 2008

Project applicant and name	LCF object	Contracted amount (£)
MILTON KEYNES COUNCIL <i>Eaglestone Local Park, Milton Keynes - Play Improvements</i>	d	15,000
ART IN MILTON KEYNES <i>Restoration of Schottlander's Sculptures - The Dancers</i>	d	15,000
THE THAMES VALLEY GROUNDWORK TRUST LTD. <i>The Conniburrow Pond Enhancement Project - Milton Keynes</i>	d	13,750
MILTON KEYNES CHRISTIAN FOUNDATION <i>Wolverton Community Centre - Expansion</i>	d	12,800
THE RIDGEWAY COMMUNITY CENTRE <i>Ridgeway Community Centre, North Furzton - Community kitchen improvements</i>	d	12,350
SOUTH FURZTON MEETING PLACE LIMITED <i>South Furzton Meeting Place, Milton Keynes - Kitchen refurbishment</i>	d	8,050
HANSLOPE VILLAGE HALL TRUST <i>Hanslope Village Hall, Milton Keynes - Toilet refurbishment, including facilities for people with disabilities</i>	d	8,000
GREAT LINFORD PARISH COUNCIL <i>Marsh Drive Sportground, Great Linford - Artificial cricket wicket</i>	d	7,250
LAKES ESTATE COMMUNITY ASSOCIATION <i>Lakes Estate Community Centre - Refurbish two wooden block floors</i>	d	6,000
CHEPSTOW COMMUNITY CENTRE (MK) <i>Chepstow Community Centre, Bletchley - Kitchen refurbishment</i>	d	5,000
TOTAL - WASTE RECYCLING GROUP FUNDS		1,545,466
ALLERTON BYWATER PARISH COUNCIL <i>Blands Recreation Playground Refurbishment</i>	d	119,424
ST MARY THE VIRGIN, MICKLEFIELD <i>St Mary the Virgin, Micklefield - Heating and Lighting Project</i>	d	48,124
EAST KESWICK VILLAGE HALL <i>East Keswick Village Hall Redevelopment</i>	d	40,000
ST THERESA'S COMMUNITY CENTRE <i>St Theresa's Community Centre, Crossgates, Leeds - Refurbishment</i>	d	34,467
MICKLEFIELD PARISH COUNCIL <i>Micklefield Recreation Ground Football Stand</i>	d	24,270
BARWICK MINERS INSTITUTE <i>Barwick Miners Institute - provision of background heating</i>	d	2,500
TOTAL – CAIRD BARDON FUNDS		268,785
THE NATIONAL BOTANIC GARDEN OF WALES <i>NBGW Restoration and Enhancement of Regency Lakes</i>	d	150,000
PENIEL COMMUNITY ASSOCIATION <i>Peniel - Provision of a new Community Facility</i>	d	36,000
LLANELLI WATER VOLE ACTION GROUP <i>Llanelli - Morfa Berwig Project</i>	d	27,962
BYNEA DISTRICT FORUM <i>Bynea Square Enhancement Scheme – Llanelli</i>	d	19,000

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Notes to the financial statements For the year ended 31 March 2008

Project applicant and name	LCF object	Contracted amount (£)
THE WOODLAND TRUST - COED CADW <i>Llangain - Green Castle Woods - Improvements To Visitor Access, Woodland & Meadow Management</i>	d	18,150
YSTRADOWEN RESIDENTS ASSOCIATION <i>Ystradowen - Children's Play Park</i>	d	11,500
LLANDDAROG VILLAGE HALL <i>Llanddarog Village Hall, Carmarthenshire - Internal Improvements</i>	d	3,528
TOTAL – CWM ENVIRONMENTAL FUNDS		266,140
THE NASEBY BATTLEFIELD PROJECT <i>The Naseby Battlefield Project (funded by Biffaward)</i>	d	50,000
GRAND TOTAL		2,130,391

6	Governance costs	2008	2007
		£	£
	Legal and professional fees	1,551	15,358
	Auditor's remuneration	11,092	9,826
	Other costs	927	952
	Trustees' fees	2,060	3,786
	Trustees'/directors' expenses	1,877	1,858
	Trustees' recruitment, development and training	1,600	1,334
	Trustee indemnity insurances	2,887	3,570
	Allocation of executive and finance costs	30,286	27,925
		52,280	64,609
7	Net outgoing resources for the year	2008	2007
	This is stated after charging:	£	£
	Trustees' fees (see notes 6 & 9)	2,060	3,786
	Auditor's remuneration	11,092	9,826
	Depreciation	7,126	9,145
	Operating leases (land and buildings)	27,203	26,637

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Notes to the financial statements For the year ended 31 March 2008

8 Subsidiary undertakings

A summary of the activities of the subsidiaries is set out below:

	EB Nationwide Limited		GrantScope Services Limited	
	2008	2007	2008	2007
	£	£	£	£
Income	-	-	6,435	70,826
Expenditure	37,540	7,619	8,638	69,554
Gift aid	-	-	-	1,272
(Deficit)/surplus for the year	(37,540)	(7,619)	(2,203)	-
Net assets	-	37,540	2,348	4,551

9 Staff costs and trustees' fees and expenses

The average number of trustees and staff analysed by function is:

	2008	2007
Trustees	5	5
Chief Executive	1	1
Grant-making	5	5
Management, Development & Administration	5	4
	<u>16</u>	<u>15</u>

	2008	2007
	£	£
Wages and salaries	305,879	277,195
Social security costs	32,230	29,318
Pension costs	31,567	25,509
	<u>369,676</u>	<u>332,022</u>

Where relevant, time costs have been recharged between group companies based on time expended, at rates calculated to absorb support costs.

The number of employees whose emoluments including pension contributions were greater than £60,000 can be classified as follows:

	2008	2007
£70,000 - £79,999	<u>1</u>	<u>1</u>

The pension contributions in the year to a defined contribution scheme for higher paid employees amounted to £7,858 (2007 - £7,611).

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Notes to the financial statements For the year ended 31 March 2008

9 Staff costs and trustees' fees and expenses (cont'd)

The trustees are not remunerated. However, the Memorandum and Articles of Association permit reimbursement of expenses, plus payment to no more than 50% of trustees for professional services. The following fees and expenses have been paid during the year:

	Fees 2008	Expenses 2008	Fees 2007	Expenses 2007
	£	£	£	£
A Ladds	2,060	290	3,786	466
D Bramley	-	380	-	541
A Brough	-	-	-	104
C Brown	-	100	-	39
D de Freitas	-	361	-	254
J Rae	-	-	-	51
A Singleton	-	398	-	-
S Torrance	-	43	-	-
A Loynes	-	60	-	-
	2,060	1,632	3,786	1,455

At the year end an amount of £441 in respect of trustee expenses (2007 - £Nil) is included in accruals.

Until his resignation in December 2007, one of the trustees, Andrew Ladds, was remunerated for his services to the charity in provision of ad-hoc corporate governance advice, this being in line with the organisation's Memorandum and Articles of Association.

In addition, payments totalling £3,584 have been made to a third party software supplier during the year, in respect of software support. This organisation sub-contracts some of its work to a partnership in which a trustee, Jacqueline Rae, is a 50% partner. All work is undertaken at arms length, and the trustees are satisfied that the software supplier and the partnership are best placed to provide the service required by the charity.

10 Taxation

The company is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as they fall within the exemptions available to registered charities.

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Notes to the financial statements For the year ended 31 March 2008

11 Tangible fixed assets

	Group office equipment £	Company office equipment £
Cost		
At 1 April 2007	69,154	13,050
Additions	-	-
Transfers between group companies	-	54,588
Disposals	(1,516)	-
	<hr/>	<hr/>
At 31 March 2008	67,638	67,638
	<hr/> <hr/>	<hr/> <hr/>
Depreciation		
At 1 April 2007	60,313	11,071
Charge for the year	7,126	2,707
Transfers between group companies	-	52,145
Disposals	(1,516)	-
	<hr/>	<hr/>
At 31 March 2008	65,923	65,923
	<hr/> <hr/>	<hr/> <hr/>
Net book value		
At 31 March 2008	1,715	1,715
	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2007	8,841	1,979
	<hr/> <hr/>	<hr/> <hr/>

12 Investment in subsidiary undertaking

	Group 2008 £	Company 2008 £	Group 2007 £	Company 2007 £
Shares in subsidiary undertaking				
At cost	-	1	-	1
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The investment represents the entire share capital of GrantScape Services Limited, a company incorporated in England and Wales. The company is engaged in the provision of consultancy services, project management and grant administration services.

In addition, the charity controls EB Nationwide Limited, a company limited by guarantee and incorporated in England and Wales, by virtue of being the sole member. This company was engaged in the distribution of grants under the LCF.

The results and financial position of the subsidiary undertakings are shown in note 8.

GRANTSCAPE

Notes to the financial statements For the year ended 31 March 2008

13 Debtors

	Group 2008	Company 2008	Group 2007	Company 2007
	£	£	£	£
Trade debtors	9,400	-	7,369	5,533
Amounts owed by group undertakings	-	29,719	-	26,176
Prepayments and accrued income	122,080	122,080	279,899	279,899
	<u>131,480</u>	<u>151,799</u>	<u>287,268</u>	<u>311,608</u>

14 Creditors: amounts falling due within one year

	Group 2008	Company 2008	Group 2007	Company 2007
	£	£	£	£
Trade creditors	12,271	12,271	3,236	3,236
Amounts owed to group undertakings	-	-	-	1,807,133
Other taxes and social security costs	10,469	9,069	10,243	10,243
Other creditors	834	834	309	309
Accruals and deferred income	23,436	14,236	17,585	14,435
Obligations in respect of grants contracted	2,660,540	2,660,540	4,486,865	2,712,360
	<u>2,707,550</u>	<u>2,696,950</u>	<u>4,518,238</u>	<u>4,547,716</u>

15 Creditors: amounts falling due after more than one year

	Group 2008	Company 2008	Group 2007	Company 2007
	£	£	£	£
Obligations in respect of grants contracted	1,811,912	1,811,912	1,617,375	1,617,375
	<u>1,811,912</u>	<u>1,811,912</u>	<u>1,617,375</u>	<u>1,617,375</u>

16 Funds

In order to aid understanding, certain of the group's reserves are designated, thus reflecting the fact that they are for a specific purpose and do not form part of the group's "free reserves". The designations adopted are:

- i) LCF funds not yet committed – reflects the balance of LCF funds available for distribution as grants. The reserve is sub-analysed by donor. Funds are transferred from this to the "committed not yet contracted" reserve following funding decisions taken at trustees' meetings. Where grant recipients do not draw down all funds granted, or where grants are withdrawn after being contracted, funds not utilised are returned to this reserve.
- ii) LCF funds committed not yet contracted – this designation represents funds allocated to grants, but awaiting a formal funding agreement. Outgoing resources represent grants for which a formal funding offer is now in place. Again, the reserve is sub-analysed by donor. Where grants are withdrawn before being contracted, surplus funds are transferred back to "funds not yet committed".

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Notes to the financial statements For the year ended 31 March 2008

16 Funds (cont'd)

- iii) Biffaward Grant (Naseby) – this designation relates to a grant receivable from Biffaward for the Naseby Battlefield Trust, for which GrantScape acted as the EB. The grant is accounted for in full in the SOFA in the year, although the final payment of £11,000 was made after the year end and is shown in the balance sheet in accrued income and creditors due within one year.
- iv) LCF Administration Reserve – historically, as LCF funds have been received, 10% has been retained to cover future grant administration costs. These designated funds are to enable the charity to complete the administration of grants, despite the current low level of LCF income. The level of funds held within this reserve is kept under review;

The residual “free reserves” represent monies which do not relate to the LCF reserves. These funds, built up from consultancy activity and including profits gift-aided by GrantScape Services Limited, are important as they provide the charity with funds to invest in developing new projects outside the LCF.

	Fund balances b/forward £	Incoming resources £	Outgoing resources £	Transfers between designated funds £	Fund balances c/forward £
LCF Funds not yet committed					
Waste Recycling Group	3,940,322	112,363	392,030	(2,725,830)	1,718,885
Caird Bardon	211,527	256,095	-	(398,765)	68,857
CWM Environmental	68,921	194,349	-	(162,305)	100,965
	4,220,770	562,807	392,030	(3,286,900)	1,888,707
LCF Funds committed not yet contracted					
Waste Recycling Group	431,867	-	(1,545,466)	2,725,830	1,612,231
Caird Bardon	64,270	-	(268,785)	398,765	194,250
CWM Environmental	150,000	-	(266,140)	162,305	46,165
	646,137	-	(2,080,391)	3,286,900	1,852,646
Biffaward Grant (Naseby)	-	50,000	(50,000)	-	-
LCF Admin Reserve	645,161	638,381	(459,573)	-	823,969
Free (Non-LCF) Reserve	150,823	22,264	(79,171)	-	93,916
Total Reserves	5,662,891	1,273,452	(2,277,105)	-	4,659,238

17 Liability of members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound-up, members are each required to contribute an amount not exceeding £1. There were seven members at 31 March 2008, (five members at 31 March 2007).

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Notes to the financial statements For the year ended 31 March 2008

18 Operating lease commitments

The group commitments for rental payments under operating leases payable during the year to 31 March 2009 are as follows:

	Land and Buildings	
	2008	2007
	£	£
Leases expiring: Over five years	27,203	27,203

19 Parent charity results

Total incoming resources in the year for the parent charity were £1,647,228. Total resources expended in the year were £2,611,137, and net outgoing resources totalled £963,909.

20 Related party transactions

The charity prepares consolidated financial statements and is therefore exempt from the requirement to disclose transactions with group companies under FRS8.

Fees and expenses paid to trustees are shown in note 9.

During the year GrantScape Services Limited undertook consultancy work for The Society of Chemical Industry, an organisation which employed two of its directors, Andrew Ladds and Jon Poole. The value of work undertaken was £3,000, and the contract to undertake the work was awarded based on a formal quotation for the supply, on an arms length basis, and reporting to another member of the organisation's management team.

The following transactions with directors of the subsidiary undertakings are disclosed:

	2008	2007
	£	£
<i>GrantScape Services Limited</i> A Ladds – fees and expenses	65	501