

Charity Registration No. 1118372

Company Registration No. 05639379 (England and Wales)

**BLUE SKY DEVELOPMENT & REGENERATION  
TRUSTEES' REPORT AND ACCOUNTS  
FOR THE PERIOD ENDED 31 MARCH 2008**

## BLUE SKY DEVELOPMENT & REGENERATION CONTENTS

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**BLUE SKY DEVELOPMENT & REGENERATION  
TRUSTEES' REPORT  
FOR THE PERIOD ENDED 31 MARCH 2008**

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The Trustees present their report and accounts for the period ended 31<sup>st</sup> March 2008. The accounts have been prepared in accordance with accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in 2005.

The company was incorporated on 29 November 2005 as a company limited by guarantee and was registered with the Charities Commission on 14 March 2007.

**Structure, Governance and Management**

**Structure of the Charity**

It is a charity and a company limited by guarantee. The governing documents are its Memorandum and Articles of Association which were agreed on 29 November 2005 at which point it was established as a company limited by guarantee and amended at an Extraordinary General Meeting dated 11 December 2006, at which point the it became a charity.

**The Member(s) of the Charity**

The Charity was established with one founder member, the Thames Valley Groundwork Trust Limited ("Groundwork Thames Valley").

**Reference and Administrative Details**

**Name of the Company**

The name of the charity is Blue Sky Development and Regeneration. It is referred to in this report as "the Charity".

**Registration Numbers**

Charity Registration Number 1118372  
Company Registration Number 5639379

**Senior Management Team**

Michael May	Chief Executive Officer
Andrea McCubbin	General Manager
Stephen Finn	Contracts Manager
Tony Dickenson	Financial Controller

**Company Secretary**

Andrea McCubbin

**Charity's Principal Address**

The Colne Valley Park Centre  
Denham Court Drive  
Denham  
Uxbridge UB9 5PG

**BLUE SKY DEVELOPMENT & REGENERATION  
TRUSTEES' REPORT  
FOR THE PERIOD ENDED 31 MARCH 2008**

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**Auditors**

FW Stephens  
Third Floor, 24 Chiswell Street  
London EC1Y 4YX

**Bankers**

HSBC  
31 St Peters Court  
High Street  
Chalfont St Peter  
Buckinghamshire SL9 9QQ

**Solicitors**

Bates Wells & Braithwaite  
2-6 Cannon Street  
London EC4M 6YH

**Structure, Governance and Management**

**Members of the Board of Trustees**

The names of the trustees (who are the directors of the company in accordance with the Companies Act 1985) on the date of approval of this report, or who served as trustees at any time during the period reported on, are as follows:

<b>Nominated trustees</b>	<b>Nominating Member</b>	<b>Appointed/ Resigned</b>
John Kennedy	Groundwork Thames Valley	Appointed 29 November 2005
Sarah Graham	Groundwork Thames Valley	Appointed 29 November 2005
<b>Co-opted Trustees</b>		<b>Appointed/ Resigned</b>
Stephen Ferry		Appointed 5 December 2005
Simon Woolton		Appointed 5 December 2005
Jennifer Bradley		Appointed 26 June 2006
Anthony Charlton		Appointed 28 February 2008
Julian Knott		Appointed 18 September 2007 and resigned 23rd August 2008
James Swindlehurst		Appointed 22 May 2007

**Induction and Training**

Members of the Board of Trustees have received Governance Training from the Chairman of the Policy Strategy and Finance Committee of Groundwork Thames Valley on the role and responsibility of a trustee.

The Trustees delegate the day to day running of the charity to the senior management team who report to the Trustees at their quarterly meetings.

**BLUE SKY DEVELOPMENT & REGENERATION  
TRUSTEES' REPORT  
FOR THE PERIOD ENDED 31 MARCH 2008**

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**Related Party Transactions**

The Charity has considered the disclosure requirements of the SORP and believes that there are no related party transactions except for those between itself and its parent undertaking and its fellow subsidiary undertaking, respectively Groundwork Thames Valley and the West London Floating Classroom, which are not required to be disclosed under the provisions of Financial Reporting Standard Number 8.

**Risk Assessment & Management**

The Board fully accept its responsibilities under the Charity Commission's Statement of Recommended Practice (SORP) for ensuring that the major risks to which the charity is exposed are identified and reviewed, and that there are systems in place to mitigate them. Major risks are those that have a high probability of occurring, and would if they occurred, have a severe impact on either operational performance or achievement of purposes, or could damage either the Charity's or the Groundwork Federation's reputation.

The Charity recognises that risk management is an essential part of good business practice and an effective mechanism of good governance. The Board is committed to ensuring that risk management processes are embedded throughout the Charity, and that these processes are used to help identify at an early stage issues that affect performance or achievement of purposes. However, the Board recognises that a risk management system can only seek to manage rather than eliminate risk, and that it should therefore be only of the tools that the Board uses to provide effective control and management of the administration of the charity.

As a result of the implementation of the Charity's Risk Management Policy, the Board has concluded that the major risks to which the Charity is exposed have been identified and have been reviewed, and that system are established to mitigate those risks in accordance with the Charity Commission's Statement of Recommended Practice.

**Objectives and Activities**

The Charity was founded to provide employment opportunities for ex-offenders with the long-term aim of helping to break the cycle of re-offending.

Its objectives as set down within its Memorandum and Articles of Association are:

- to promote the conservation, protection and improvement of the physical and natural environment in England and Wales;
- to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for the general public in England and Wales.
- to advance public education in environmental matters and other ways of better conserving, protecting and improving the same wheresoever;

**Objectives and Activities (Continued)**

- to promote in England and Wales, the care, resettlement and rehabilitation of offenders, ex-offenders and those at risk of offending, and to support their families and dependants, in particular (but without prejudice to the generality) by providing, promoting, supporting or organising the recruitment, employment, education and training of offenders, ex-offenders and those at risk of offending, and to assist them in finding employment and accommodation and in rehabilitating themselves;
- to promote in England and Wales the prevention of crime and social exclusion by supporting or carrying on either alone or in co-operation with any other body, authority or person any project or scheme and by providing money for such purposes whether by loan or otherwise;
- to promote the efficiency and effectiveness of charities in the direct furtherance of their objects (or any one of them) by the provision of information, advice and support.

**Strategies for achieving objectives**

The following strategies were put in place to achieve the identified objectives:

1. To build up the commercial income base of the charity by marketing to local authorities and their grounds maintenance contractors. The more work on the books of the Charity the more individual employment activities could be offered to ex-offenders.
2. To develop and recruit competent supervisors to oversee the ex-offenders and to ensure quality standards are met
3. To develop training opportunities both within and outside of the Charity to meet identified skills gaps.
4. To identify and work with employers in the public, private and voluntary sectors to identify employment requirements and skills gaps within their ranks and thereby to provide employment opportunities for our ex-offender employees.
5. To build into the operational processes of the Charity rigour in both finance and governance
6. To initiate conversations with a range of funding organisations, charitable trusts and venture philanthropists, to ensure that the Charity has sufficient income in addition to that generated from its commercial activities.

**BLUE SKY DEVELOPMENT & REGENERATION  
TRUSTEES' REPORT (continued)  
FOR THE PERIOD ENDED 31 MARCH 2008**

**Objectives for the period**

As set out in the last Trustees' Report the Charity identified as objectives for the period to 31 March 2008, with the results set out alongside: -

<p><b>a.</b> To offer employment to a further 54 ILM employees so that the cumulative number of ex-offenders given the opportunity of employment by the Charity exceeds 90.</p>	<p>The target of a further 54 ILM employees, taking the overall number to 90 since establishment was achieved in April 2008.</p>
<p><b>b.</b> To enable a further 50% of the Charity's leaving ILM employees to move on into sustainable employment.</p>	<p>Of the 67 leavers since establishment to 31 March 2008, 32 or 48% moved onto subsequent employment. In the light of the greater number of ILM employees, and with an ever-increasing knowledge of their challenges, it has become evident that a more realistic aim in this regard would be a 40% conversion rate.</p>
<p><b>c.</b> To embed sustainability within the DECIDE programme and to develop a similar programme in the field of horticulture.</p>	<p>This has been achieved, with follow-on funding for the DECIDE programme in HMP Bullingdon in place until September 2009 and the start of the Ealing contract, developed in conjunction with HMP Wormwood Scrubs</p>
<p><b>d.</b> Recognising that the Charity relies on non-commercial income for a substantial proportion of its activities, to identify replacement sources of grant funding. This will involve analysis and evaluation of funders to determine the most appropriate funding bids, and associated with this will be the development of regional bids through the European Social Fund amongst others.</p>	<p>This has been achieved, principally through a series of successful bids to charitable foundations.</p>
<p><b>e.</b> To maintain the existing commercial contracts and to add a further 2.</p>	<p>This has been achieved, with the establishment of the Gloucester team from July 2007, and the agreement with Veolia in Ealing, with the latter team in place from June 2008</p>
<p><b>f.</b> To establish a joint-venture with the Federation of Groundwork Trusts to facilitate the wider roll out of the Blue Sky concept.</p>	<p>During the course of the year it became evident that a more cost-effective means to achieving this end would be for the Federation of Groundwork Trusts to facilitate bi-lateral licensing agreements between the Charity a small number of individual Groundwork Trusts.</p>

**Objectives for the Forthcoming Period**

Over the period to March 31 2009 the Charity has set itself the following targets: -

- a. To offer employment to a further 70 ILM employees so that the cumulative number of ex-offenders given the opportunity of employment by the Charity exceeds 90.
- b. To enable a minimum of 40% of the Charity's leaving ILM employees to move on into sustainable employment or further education.
- c. To secure follow-on funding for the DECIDE programme, and to establish a replica in partnership with Wormwood Scrubs around horticulture recognising that the Charity relies on non-commercial income for a substantial proportion of its activities, to identify and secure income from a diversity of sources. This will include income from charitable foundations, venture philanthropists and Government commissions.
- d. To meet the target outcomes negotiated through the Charity's company member with the London Borough of Hillingdon under its Local Area Agreement, and to negotiate a role in at least one further LAA.
- e. To establish a Blue Sky presence in the cities of Bristol and Manchester, as well to broaden the presence within London by establishing a team within the Borough of Ealing.
- f. To strengthen the management team with the addition of an Area Manager for the West of England and an Employment Liaison Officer. To strengthen the head office function by the recruitment of a HR and Administration Officer.

**BLUE SKY DEVELOPMENT & REGENERATION  
TRUSTEES' REPORT (continued)  
FOR THE PERIOD ENDED 31 MARCH 2008**

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**Financial Review**

**Review of Financial Position**

The Statement of Financial activities for the period is set out on page 12 of the Financial Statements.

The Charity's income for the period was £676,001, in addition the Charity returned a surplus of £23,091.

**Reserves Policy**

The Board agreed that a reasonable level of unrestricted reserves is required for the following reasons:

- To absorb short term set backs such as loss or delays in funding.
- To finance working capital needs, such as delays in receipts and to fund the time delays between developing projects, obtaining approval and funds being received.
- To cover the working capital required to fund the usual retrospective nature of the programme funding which can result in considerable timing differences between expenditure and receipt of funds.
- To cover the cost of investing in staff training and development to develop new and improved services for the company.
- To cover the cost of developing new services, such as communications, research and quality and business information systems.
- To set aside funds for appropriate capital assets such as horticultural equipment.
- To provide funding to cover any unforeseen down turn in activity, allowing alternative activity to be generated and/or a planned down sizing of activity.

The above needs for reserves have to be balanced against the following factors:

- The need to be seen to act as a responsible charity by central Government, our sponsors and the Charity Commission.
- The need to avoid the accusation of creating excessive surpluses (profiteering) and accumulating large surpluses (hoarding) for which there is no future planned requirement or that bare no relation to the charitable aims .

In order to provide sufficient working capital free reserves have been set at the equivalent of 13 weeks administrative and running costs. Free reserves are defined as the value of unrestricted reserves excluding the value of fixed assets.

**BLUE SKY DEVELOPMENT & REGENERATION  
TRUSTEES' REPORT (continued)  
FOR THE PERIOD ENDED 31 MARCH 2008**

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**Principal Funding Sources**

The major sources of funding during the period were:

EXODUS Partnership. EXODUS is an EQUAL European Social Fund project led by the South East England Development Agency and operating in London and the South East.

The Henry Smith Charity

The Esmee Fairbairn Foundation

The Rayne Foundation

The Rank Foundation

The Federation of Groundwork Trusts

A number of private individuals

**Auditors**

FW Stephens were appointed auditors to the company and in accordance with Section 285 of the companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**BLUE SKY DEVELOPMENT & REGENERATION  
TRUSTEES' REPORT (continued)  
FOR THE PERIOD ENDED 31 MARCH 2008**

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**Statement of trustees' responsibilities**

Company law requires the trustees to prepare accounts for each financial period which give a true and fair view of the charitable company's state of affairs at the end of the period and of its income and expenditure for that period.

In preparing those accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company 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 charitable company and to enable them to ensure that the accounts 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.

**Statement of disclosure to the auditor**

- (a) so far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

Chair

Dated 14 October 2008

**BLUE SKY DEVELOPMENT & REGENERATION  
INDEPENDENT AUDITORS REPORT  
TO THE MEMBERS OF BLUE SKY DEVELOPMENT & REGENERATION  
FOR THE PERIOD ENDED 31 MARCH 2008**

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We have audited the accounts of Blue Sky Development & Regeneration for the period ended 31<sup>st</sup> March 2008 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

**Respective responsibilities of trustees and auditors**

As described on page 14, the trustees, who are also the directors of Blue Sky Development & Regeneration for the purpose of company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 Trustees' Report is not consistent with the accounts, if the charity 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 charitable company is not disclosed.

We are not to consider whether the statements in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

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

**Basis of opinion**

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 accounts.

**BLUE SKY DEVELOPMENT & REGENERATION  
INDEPENDENT AUDITORS REPORT (continued)  
TO THE MEMBERS OF BLUE SKY DEVELOPMENT & REGENERATION  
FOR THE PERIOD ENDED 31 MARCH 2008**

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**Opinion**

In our opinion:

- the accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 March 2008 and of its incoming resources and application of resources in the period then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the accounts.

**FW Stephens**

**Chartered Accountants  
Registered Auditors**

Third Floor  
24 Chiswell Street  
London, EC1Y 4YX

**BLUE SKY DEVELOPMENT & REGENERATION  
STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE PERIOD ENDED 31 MARCH 2008**

		Unrestricted funds	Restricted funds	Total 2008	Total 2007
	Notes	£	£	£	£
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Investment income	2	1,355	-	1,355	841
<b>Incoming resources from charitable activities</b>					
Other incoming resources	3 4	54,000 <u>481</u>	620,165 <u>-</u>	674,165 <u>481</u>	463,005 <u>276</u>
<b>Total incoming resources</b>		<b><u>55,836</u></b>	<b><u>620,165</u></b>	<b><u>676,001</u></b>	<b><u>464,122</u></b>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Fundraising and publicity costs		12,344	-	12,344	1,620
<b>Charitable activities</b>		-	628,016	628,016	397,014
<b>Governance costs</b>		<u>12,550</u>	<u>-</u>	<u>12,550</u>	<u>15,639</u>
<b>Total resources expended</b>	5	<b><u>24,894</u></b>	<b><u>628,016</u></b>	<b><u>652,910</u></b>	<b><u>414,273</u></b>
<b>Net movement in funds</b>		30,942	(7,851)	23,091	49,849
Fund balances at 1 April 2007		<u>39,858</u>	<u>9,991</u>	<u>49,849</u>	-
<b>Fund balances at 31 March 2008</b>	13	<b><u>70,800</u></b>	<b><u>2,140</u></b>	<b><u>72,940</u></b>	<b><u>49,849</u></b>

All amounts relate to continuing operations. There were no other recognised gains or losses in the period. The notes on pages 14 to 20 form part of these accounts.

The statement of financial activities also complied with the requirements of an income and expenditure account under the Companies Act 1985.

**BLUE SKY DEVELOPMENT & REGENERATION  
BALANCE SHEET  
AS AT 31 MARCH 2008**

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		2008		2007	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		889		1,189
<b>Current assets</b>					
Debtors	9	211,782		60,421	
Cash at bank and in hand		<u>85,806</u>		<u>52,288</u>	
		297,588		112,709	
<b>Creditors: amounts falling due within one year</b>	10	<u>(225,537)</u>		<u>(64,049)</u>	
<b>Net current assets</b>			<u>72,051</u>		<u>48,660</u>
<b>Total assets less current liabilities</b>			<u>72,940</u>		<u>49,849</u>
<b>Income funds</b>					
Restricted funds	11		2,140		9,991
Unrestricted funds	12		<u>70,800</u>		<u>39,858</u>
			72,940		49,849
			<u>72,940</u>		<u>49,849</u>

The accounts were approved by the Board on 14 October 2008

by

**BLUE SKY DEVELOPMENT & REGENERATION  
NOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31 MARCH 2008**

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**1. Accounting policies**

**1.1 Basis of preparation**

The accounts are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in 2005, in accordance with the Companies Acts and applicable accounting standards.

The charity has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small charity.

**1.2 Incoming resources**

Income or grants received in advance are held in deferred income, as part of restricted funds, and carried forward to future accounting periods to be released when measurable stages of work have been completed, approved or certified. Any grants restricted to future accounting periods are deferred and recognised in those accounting periods.

**1.3 Resources expended**

Charitable activities include those costs incurred in the direct activities of the charity together with those support costs incurred in allowing the charity to deliver its objectives.

Support costs are allocated to the charitable activity to which they relate.

Governance costs are those costs incurred in the constitutional and statutory compliance of the company.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Motor vehicles	20% Straight line
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Individual fixed assets costing £1,000 or more are capitalised.

**1.5 Pensions**

The pension costs charged in the accounts represent the contributions payable by the charity during the period in accordance with FRS 17.

**1.6 Accumulated funds**

Restricted funds are funds subject to specific conditions imposed by funders or by the purpose of the grant. Expenses that may be allocated against restricted funds generally include fees, consultancies, project expenditure and implementation work that qualify under the specific conditions on the funds received. When the conditions governing the income or grants have been met the funds remain within restricted funds and are then expendable at the discretion of the trustees in furtherance of particular aspects of the objects of the charity.

**BLUE SKY DEVELOPMENT & REGENERATION  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2008**

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**1 Accounting Policies (continued)**

**1.7 Irrecoverable VAT**

The Trust has irrecoverable VAT arising due to partial exemption, which is included within resources expended.

**2. Investment income**

	<b>2008</b>	<b>2007</b>
	£	£
Interest receivable	1,355	841
	<u>          </u>	<u>          </u>

**3. Activities in furtherance of the charity's objectives**

	<b>2008</b>	<b>2007</b>
	£	£
Grant income	386,821	359,059
Project income	<u>287,344</u>	<u>103,946</u>
	<u>674,165</u>	<u>463,005</u>

Included within income received for charitable activities are the following grants

European government	217,787	213,059
Private sector	<u>165,034</u>	<u>144,000</u>
	<u>382,821</u>	<u>357,059</u>

**BLUE SKY DEVELOPMENT & REGENERATION  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2008**

**4. Other incoming resources**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Other income	481	276
	<u>481</u>	<u>276</u>

**5. Total resources expended**

	<b>Voluntary income</b>	<b>Charitable expenditure</b>	<b>Governance costs</b>	<b>Total 2008</b>	<b>Total 2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Charitable activities</b>					
Staff costs	7	236,157	-	236,157	219,243
Project costs	-	54,294	-	54,294	33,060
Temporary staff & consultants	-	111,573	-	111,573	67,711
Recruitment and training	-	29,694	-	29,694	52,971
Transport and travel	-	<u>19,599</u>	-	<u>19,599</u>	<u>6,660</u>
		451,317		451,317	379,645
<b>Support costs</b>					
Staff costs	7	78,000	-	78,000	-
Administration	-	6,020	-	6,020	10,391
Communication and IT	-	5,056	-	5,056	685
Marketing	12,344	-	-	12,344	1,620
Audit fees	-	-	5,655	5,655	6,432
Professional fees	-	48,473	6,895	55,368	11,200
Depreciation	-	300	-	300	300
Other	-	38,850	-	38,850	4,000
	<u>12,344</u>	<u>628,016</u>	<u>12,550</u>	<u>652,910</u>	<u>414,273</u>

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration on each activity, comprising the salary and overhead costs of the central function, are indirectly apportioned on the basis of the ratio of costs that can be directly allocated.

**BLUE SKY DEVELOPMENT & REGENERATION  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2008**

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**6. Trustees**

One of the trustees, Jennifer Bradley was reimbursed £154 for travel expenses. None of the other trustees (or any persons connected with them) received any remuneration or reimbursed expenses during the period.

**7. Employees**

As at 31<sup>st</sup> March 2008 the Charity employed 5 permanent employees in a full-time or part-time capacity. In addition in the accounting period ending on 31<sup>st</sup> March 2008 the Charity employed on Intermediate Labour Market contracts 36 individuals, of whom 9 remained on its books at that date.

**Employment costs**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Wages and salaries	282,160	149,812
Social security costs	26,240	12,224
Pension	<u>5,757</u>	<u>4,787</u>
	314,157	166,823
	<u>          </u>	<u>          </u>
Recharged	<u>-</u>	<u>52,420</u>
	<u>314,157</u>	<u>219,243</u>

There were no employees whose annual emoluments were £60,000 or more.

Pension contributions paid into personal pension schemes amounted to £5,757 during the period.

**BLUE SKY DEVELOPMENT & REGENERATION  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2008**

<b>8. Tangible fixed assets</b>	<b>Motor vehicles £</b>	
<b>Cost</b>		
At 1 April 2007	1,489	
Additions in the period	<u>-</u>	
<b>At 31 March 2008</b>	<u>1,489</u>	
<b>Depreciation</b>		
At 1 April 2007	300	
Charge for the period	<u>300</u>	
<b>At 31 March 2008</b>	<u>600</u>	
<b>Net book value</b>		
<b>At 31 March 2008</b>	<u>889</u>	
<b>Net book value</b>		
<b>At 31 March 2007</b>	<u>1,189</u>	
Motor vehicles are used for charitable activities.		
<b>9 Debtors</b>	<b>2008 £</b>	<b>2007 £</b>
Trade debtors	37,124	16,907
Other debtors	<u>174,658</u>	<u>43,514</u>
	<u>211,782</u>	<u>60,421</u>
<b>10 Creditors: amounts falling due within one year</b>	<b>2008 £</b>	<b>2007 £</b>
Trade creditors	64,922	6,519
Amount owed to parent company	74,985	24,008
Other creditors	<u>85,630</u>	<u>33,522</u>
	<u>225,537</u>	<u>64,049</u>

**BLUE SKY DEVELOPMENT & REGENERATION  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2008**

**11 Restricted funds**

	<b>Balance as 1 April 2007 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Balance at 31 March 2008 £</b>
Employment projects	9,991	620,165	(628,016)	2,140
	<u>9,991</u>	<u>620,165</u>	<u>(628,016)</u>	<u>2,140</u>

The purpose of the restricted fund is to ensure that the funding is spent on specific projects designated by the funder.

**12 Unrestricted funds**

	<b>Balance at 1 April 2007 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Balance at 31 March 2008 £</b>
Unrestricted funds	39,858	55,836	(24,894)	70,800
	<u>39,858</u>	<u>55,836</u>	<u>(24,894)</u>	<u>70,800</u>

**13 Analysis of net assets between funds**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total £</b>
Fund balances at 31 March 2008 are represented by:			
Tangible fixed assets	889	-	889
Net current assets	<u>69,911</u>	<u>2,140</u>	<u>72,051</u>
	<u>70,800</u>	<u>2,140</u>	<u>72,940</u>

**14 Commitments under operating leases**

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Motor vehicles 2008 £</b>	<b>Motor vehicles 2007 £</b>
Expiry date:		
Within one year	<u>8,320</u>	<u>5,610</u>

**BLUE SKY DEVELOPMENT & REGENERATION  
NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2008**

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**15 Control**

The ultimate parent company is Thames Valley Groundwork Trust Limited, a company registered in England and Wales.

Thames Valley Groundwork Trust Limited prepares group financial statements and copies can be obtained from Court Drive, Denham, Uxbridge UB9 5PH.

The parent undertaking of the largest and smallest group of which Blue Sky Development and Regeneration is a member and for which group accounts are prepared is Thames Valley Groundwork Trust Limited, incorporated in the UK.

**16 Related party transactions**

The company has taken advantage of the exemption in Financial Reporting Standards Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.