GROUNDWORK CAERPHILLY

England & Wales · Charity number 1006811

Details

Other names	ISLWYN AND RHYMNEY VALLEY GROUNDWORK TRUST, ISLWYN GROUNDWORK TRUST, GROUNDWORK CAERPHILLY
Status	Registered
Legal form	Charitable company
Company number	02501792
Registered	1991-12-13
Register	View on the Charity Commission register

Contact

Address	Mynyddislwyn Offices Bryn Road Pontllanfraith Blackwood Gwent NP12 2BH
Phone	01495222605
Email	kath.williams@groundwork.org.uk
Website	www.groundwork.org.uk

Activities

Objects: TO PROMOTE FIRSTLY THE CONSERVATION PROTECTION AND IMPROVEMENT OF THE PHYSICAL AND NATURAL ENVIRONMENT. TO PROVIDE FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR RECREATION AND LEISURE. TO ADVANCE PUBLIC EDUCATION IN ENVIRONMENTAL MATTERS AND OF BETTER WAYS OF BETTER CONSERVING PROTECTING AND IMPROVING THE SAME.

Activities: Groundwork supports communities in need, working with partners to help improve the quality of people's lives, their prospects and potential and the places where they live, work and play. Our vision is of a society of sustainable communities which are vibrant, healthy and safe, which respect the local and global environment and where individuals and enterprise prosper.

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Classification

- **How:** Provides Buildings/facilities/open Space, Acts As An Umbrella Or Resource Body
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** ISLWYN
- Caerphilly
- Cardiff
- Merthyr Tydfil
- Monmouthshire
- Newport City
- Torfaen

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£420,916	£467,378	-	-
2024-03-31	£386,272	£363,236	-	-
2023-03-31	£384,872	£379,603	-	-
2022-03-31	£360,337	£289,733	-	-
2021-03-31	£287,267	£244,892	-	-

Trustees

Name	Role	Appointed
Phil Fiander OBE	Chair	2019-09-17
COLIN MANN		2012-07-18
Natalie Rees		2019-09-17

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GROUNDWORK CAERPHILLY

England & Wales - Charity number 1006811

Accounts

Groundwork Caerphilly

Annual Report and Financial Statements 2024/25

Groundwork Caerphilly

Charity registration no. 1006811
Company registration no. 2501792

Registered office
Ty Mynyddislwyn Offices, Bryn Road, Pontllanfraith, Blackwood, Gwent NP12 2BH

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About Groundwork Caerphilly

Groundwork Caerphilly is a charity, working within the federation of Groundwork Trusts, locally and nationally to transform lives in the UK's most disadvantaged communities.

We're passionate about creating a future where every neighbourhood is vibrant and green, every community is strong and able to shape its own destiny and no-one is held back by their background or circumstances.

We help people gain confidence and skills, get into training and work, protect and improve green spaces, lead more active lives and overcome significant challenges such as poverty, isolation, low skills and poor health.

Groundwork Caerphilly is registered as a company and charity. This report outlines the activity, priorities and financial position of Groundwork. More information on our work can be found in our Impact Report and on our website.

Chairman's statement

Our operations have been put to the test this year, yet previous investments in the Environment Centre and our furniture reuse initiative, the Furniture Revival, have proven invaluable. These strategic investments have not only provided the capacity to operate effectively under challenging circumstances but have also enabled us to adapt and persevere, regardless of the difficulties encountered. I am deeply impressed by the resilience exhibited by our management and staff. Their commitment to enterprising and entrepreneurial activities has remained steadfast, ensuring continued support and provision for the local communities we serve.

This year we have

- Maintained full rental occupancy of the Environment Centre
- Delivered a valuable service to communities in need through the Furniture Revival Service

I would like to extend sincere thanks to the staff, trustees, and customers of Groundwork Caerphilly for their dedication and support. The ongoing success of Groundwork Caerphilly is built upon this unwavering support. We take nothing for granted and remain continually mindful of the welfare of our valued staff and customer base.

Phil Fiander
Chair

Governance

Registration numbers

Charity registration no. 1006811 Company
registration no. 2501792

Structure

Groundwork Caerphilly's governing documents are its Memorandum and Articles of Association, which were last amended by written resolution in 2012.

Board of trustees

The board of trustees sit in accordance with the Charities Act 2011 and they are also the directors of the company in accordance with the Companies Act 2006. The majority of our trustees are co- opted, with one nominated member from Caerphilly council. We seek a broad skills base on our board of trustees to enable us to benefit from specialist expertise and networks.

We take our governance responsibilities very seriously, recognising the need to ensure as much of our resource as possible is expended on delivering our charitable mission while ensuring our organisation is strong, well-managed and financially viable in the long term.

New trustees are provided with an induction to the organisation, which includes a specific focus on their role and responsibilities.

Trustees are responsible for ensuring sound organisational systems, processes and policies are maintained and embedded in the way Groundwork UK is managed. This includes policies governing our fundraising standards, our investments and our responsibilities to our staff, volunteers and beneficiaries. We pay particular attention to issues of health and safety, safeguarding, data protection and information security, each of which has a champion on our board, and maintains comprehensive business continuity arrangements. We undertake a regular skills audit of our board to ensure we have access to the expertise needed to run our organisation efficiently, effectively and safely.

Groundwork Wales' Management Team is led by the Chief Executive and includes senior staff members responsible for financial and business management, business development, communications and fundraising and programme management. Groundwork Wales management team manage Groundwork Caerphilly. This team is fully accountable to the Board and its Committees. It operates through delegated powers outlined in our financial regulations and provides regular reports on financial and operational performance and risk management.

Related party transactions

Each Groundwork Trust is an independent charity with similar aim. We operate within a group structure and Groundwork Caerphilly is a wholly owned subsidiary. Each Trust is therefore responsible for its own management and administration, and for developing and delivering projects that meet its objectives and core purposes. The appointed trustees of Groundwork Wales are also trustees of Groundwork Caerphilly. Groundwork Caerphilly is a related party to Groundwork Wales.

Groundwork Caerphilly has considered the other disclosure requirements of the SORP and believes that there are no other related party transactions.

Our commitments

Everything Groundwork Caerphilly does is underpinned by a set of values, which inform the way we work and behave. We are environmentally aware and focused on communities in need. We are collaborative, show integrity and strive for quality in everything we do. Our decisions, actions and operations are also guided by our sustainable development policy, which sets out how we aim to contribute to creating a strong and just society living within environmental limits.

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes".

All of our fundraising is managed internally and we do not employ commercial participators or professional third-party fundraisers. The day to day management of all income generation activity is delegated to the senior management team, who are accountable to the trustees.

Groundwork Caerphilly is not required to be bound by any regulatory scheme.

As a charity dedicated to supporting people who may be vulnerable we are committed to ensuring our operations are delivered safely and to the highest ethical standards. We have a Groundwork- wide commitment to effective safeguarding and aim to meet best practice standards in terms of management, governance and transparent reporting.

Advisors

Auditors

HSJ Audit Limited
Severn House
Hazell Drive
Newport
NP10 8FY

Bankers

HSBC
37 Cardiff Road
Caerphilly
CF83 1WE

The Board of Trustees

The trustees (who are the directors of the company in accordance with the Companies Act 2006) on the date of approval of this report, or who served as trustees at any time during the year reported on, are as follows.

Appointed trustees	First appointed	Last appointed	Retired/resigned
Councillor C Mann	18 July 2012		
Mr P Fiander	17 September 2019		
Mr J Greenidge	17 September 2019		23 May 2024
Ms N Rees	17 September 2019		6 September 2024

Chair
Mr P Fiander

Chief Executive
Ms K Stevenson

Objectives and public benefit

Groundwork Caerphilly's charitable objectives are set down in its Memorandum of Association and date from the interpretation of charitable activities when they were drafted, as amended at annual general meetings and by written resolution in 2012. They commit Groundwork Caerphilly to delivering and promoting regeneration and sustainable development as follows.

To promote the conservation, protection and improvement of the physical and natural environment in the County Boroughs of Caerphilly and other South Wales Local Authority areas including Torfaen, Newport and Monmouthshire.

To provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting to the Area.

To advance public education in environmental matters and of the ways of better conserving, protecting and improving the same wheresoever.

To promote for the public benefit, urban or rural regeneration in areas of social and economic deprivation within the Area by all or any of the following means:

- the relief of poverty in such ways as may be thought fit;
- the relief of unemployment in such ways as may be thought fit including assistance to find employment;
- the advancement of education, training or re-training particularly amongst unemployed people and providing unemployed people with work experience;
- the provision of financial assistance, technical assistance, business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help:

  (a) in setting up their own businesses; or

  (b) to existing businesses;

- the creation of training and employment opportunities by the provision of workspace, buildings and/or land for use on favourable terms;

- the provision of housing for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing;

- the maintenance, improvement or provision of public amenities, including the provision of route ways such as footpaths and cycleway's and access to main transport routes;

- the preservation of buildings or sites of historic or architectural importance;

- the provision or assistance in the provision of recreational facilities for the public at large and/or those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities;

- the protection or conservation of the environment, including the reclamation of derelict land for use as open space;

- the provision of public health facilities and childcare, including the provision of schemes to promote healthier lifestyles and crèche facilities to increase the ability of parents to take up employment;

- the promotion of public safety and prevention of crime, including the alleviation of anti-social behaviour;

- such other means as may from time to time be determined subject to the prior written consent of the Charity Commissioners for England and Wales.

To promote sustainable development for the benefit of the public within the Area by:

- the preservation, conservation and the protection of the environment and the prudent use of resources;

- the relief of poverty and the improvement of the conditions of life in socially and disadvantaged communities;

- the promotion of sustainable means of achieving economic growth and regeneration.

To advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large.

Sustainable development in this Article and in Article 1 above means "development which meets the needs of the present without compromising the ability of future generations to meet their own needs".

To promote the efficiency and effectiveness of charities within the Area in the direct furtherance of their objects (or any one of them) by the provision of information, advice and assistance in the establishment, administration and management of such charities including assistance of all types in connection with the raising and distribution of funds.

To promote the efficiency and effectiveness of the voluntary sector for the benefit of the public by the provision of information, support and advice to local community-based groups anywhere in the Area.

Groundwork Caerphilly's trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the organisation's objectives and planning future activities. In particular, the trustees consider how planned activities will contribute to the charitable objectives set out above. Further details about the impact of Groundwork UK's activities during the year can be found on the following pages.

Our work is designed to address the needs of all sections of the community and we provide equal access to our services regardless of race, gender, disability or sexual orientation.

For further details about our work visit **www.groundwork.org.uk**

Strategic report for the year ended 31 March 2025

The Board of Trustees presents its report for the year ended 31 March 2025. This includes statements about our organisation (page 2), its objectives and its governance (page 3), our financial and operational review for the year (pages 7-9), our plans for the future (pages 6-7) and details of our trustees, senior staff and advisers (pages 31-32).

1. Performance overview

2024/25 has been a succesful year for Groundwork Caerphilly.

The majority of activities set out in our business plan for the year have been progressed.

Levels of income generated for the year were up by £34K as a result of recovering from a challenging operating environment.

Activity highlights

Groundwork continues to deliver a rich variety of local projects, programmes and services that are transforming lives in local communities and helping more people get involved in taking action to improve their personal circumstances and the quality of life in their area.

Last year we sourced £420,916 of funding or enterprising income to support our mission.

During the year we commenced refurbishment works to the building which is listed at Grade II. A full slate roof refurbishment together with additional flat roof and other cosmetic improvements have been necessary in order to bring the building up to the required standard as well as seal water ingress issues.

2. Our plans for the future

In order to ensure Groundwork Caerphilly's activities are fully aligned with the needs and expectations of our wider federation, our forward plans are clearly and explicitly driven by Groundwork's collectively agreed strategy. This can be summarised as follows:

'Groundwork 2023-2028', details how we will support communities to combat the climate and nature emergency, improve their health and wellbeing and gain access to learning and work opportunities.

Groundwork 2023-2028 sets out the charity's ambition to become a significant, radical, national force for driving change in attitudes, behaviours, places and prospects in the local communities that need it most.

Groundwork Caerphilly will continue to run Ty Mynyddislwyn Environment Centre to provide facilities for local communities as well as Groundwork Wales programmes, to improve and strengthen our provision of community development, physical activity, environmental regeneration, employability and volunteering programmes. We will do this by the selling on of reusable furniture to customers in need and delivering contracts to Caerphilly County Borough Council and developing new contracts with other Local Authorities.

3. Financial performance

Groundwork Caerphilly net incoming resources for 2024/25 totalled -£46,462 (compared to £23,036 in 2023/24), with an unrestricted deficit of £32,259

Our long-term financial strategy has two clear and linked strands as follows:

- to manage our overhead costs to ensure discretionary spending is focused on supporting front line delivery and generating more income while maintaining the capacity we need to operate effectively and safely.

- to achieve an operating surplus so that we can hold a level of reserves sufficient to sustain our charitable operations and strengthen our balance sheet to support commercial services and manage the risk of outcome-based funding arrangements.

3.1 Reserves

In line with this financial strategy, our trustees have agreed that we should aim to hold 3 months operating costs (circa £98K) in liquid reserves. We believe this is appropriate for the following reasons:

- to absorb short term setbacks such as loss or delays in funding
- to provide the working capital required to finance retrospective 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 Groundwork
- to cover the cost of developing new services, such as improved communications, research and quality and business information systems
- to set aside funds for capital assets such as ICT equipment
- to provide funding to cover any unforeseen downturn in activity, allowing alternative activity to be generated and/or a planned down-sizing of our staff team.

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

- the need to be seen as a responsible charity by the Charity Commission, our partners and funders, our member Trusts within Groundwork and the communities we serve
- the need to avoid the creation or retention of unnecessary surpluses for which there is no future planned requirement or that bear no relation to our charitable aims.

Unrestricted reserves, excluding designated reserves, are in surplus by £136,619 (2024: £133,415) with restricted funds of £139,877 (2024: £154,080). Designated funds of £10,722 will be spent for future maintenance costs to the Ty Mynyddislwyn premises.

Restricted funds can only be used in accordance with agreements reached with funders relating to programmes of work and therefore do not form part of the general reserves that are under the control of the trustees. These funds at the year- end relate to fixed assets acquired in previous years, which are being depreciated over their useful life. The future movements on any such restricted funds reflect the long-term nature of Groundwork Caerphilly's programme activity and in no way reflects on the organisation's financial efficiency or performance.

3.2 Investments

The majority of the grant funds obtained by Groundwork Caerphilly are provided against specified projects for particular needs and are therefore of a restricted nature.

We do not invest monies.

3.3 Principal funding sources

Our major sources of funding during the last year are set out below.

- Income through charitable trading:
    - The selling on of reusable furniture to customers in need
    - The rental of facilities at Ty Mynyddislwyn Environment Centre
    - The delivery of contracts under SLA with Caerphilly Council for the collection of bulky household waste and white goods
    - The delivery of contracts for battery collections
- Charitable Donations

3.4 Expenditure on charitable objectives

In line with the objectives set in our Groundwork 2020 strategy and the Groundwork Caerphilly business plan, our expenditure in the year was directed towards the following activities:

- The selling collection and selling on of reusable furniture to customers in need
- The rental of facilities at Ty Mynyddislwyn Environment Centre
- The delivery of contracts under SLA with Caerphilly Council for the collection of bulky household waste and white goods
- The delivery of contracts for battery collections
- Operation of Groundwork Wales' office base from Ty Mynyddislwyn

3.5 Key Performance Indicators

Data against a number of key performance indicators is presented to our trustees on a quarterly basis to measure our success in profile raising, income generation, programme management and continual improvement. These KPIs are tracked on a rolling basis and compared to target levels of performance outlined in our annual business plan.

Monthly management accounts track progress against our financial targets and reforecasts to the year-end are made quarterly. A key performance indicator is the amount of income secured as a percentage of forecast salaries and operating costs. This informs year-end forecasts based on prior years' experience.

3.6 Sustainable Development Report

Groundwork's charitable mission is to promote sustainable development – helping communities and individuals develop the understanding and capability to take action and make choices that deliver social equity and economic prosperity while recognising the need to live within the earth's finite natural resources. In order to have credibility as an organisation we need to demonstrate that the principles of sustainable development underpin the way we go about our work. Our sustainable development policy commits us to reporting on how these principles are integral to the way we plan and manage our operations, support our employees and utilise our resources.

3.7 Principal risks and uncertainties

Our board of trustees understands 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.

Within our Group, Trustees regularly review the development and operation of our risk management process and receive quarterly updates on actions put in place to mitigate the most significant ongoing risks. Risks are identified by our staff teams and reviewed on a regular basis by our management team.

The major areas of potential risk, for which we have active mitigation strategies in place, are as follows:

- Slow recovery in financial climate, inability to secure income and threat to bottom line and business viability
- Increased competition / Diminishing Grant funds
- Lower Business Viability/Pressure on reserves - Significant reduction in core funding WG, Significant reduction in funding Local Authorities

Groundwork Caerphilly 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 organisation, and that these processes are used to help identify at an early stage issues that affect performance or the achievement of our purpose.

However, trustees also recognise that our process can only seek to manage rather than eliminate risk, and that it should therefore be only one of the tools that the Board uses to provide effective control and management of the administration of the charity.

3.8 Financial instruments

Groundwork Caerphilly's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. Our policy is to finance fixed assets and working capital through retained reserves.

4 Statement of trustees' responsibilities

The trustees, who are also the directors of Groundwork Caerphilly for the purposes of company law, are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees 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 charity and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

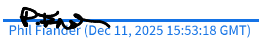
In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Signed on behalf of the Board of trustees



Phillip Fiander
Chairman

Date: 11/12/2025

Groundwork Caerphilly

Independent Auditor's Report to the Members of Groundwork Caerphilly

Opinion

We have audited the financial statements of Groundwork Caerphilly (the 'charity') for the year ended 31 March 2025, which comprise the Statement of Financial Activities, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

Independent Auditor's Report to the Members of Groundwork Caerphilly

Opinion on other matter 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the .

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the (set out on page), the trustees 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 trustees determine is 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor 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 an auditor’s report 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework.

We communicated identified fraud risks throughout the engagement team and remained alert throughout the engagement process for any indications of fraud.

As required by the auditing standards, we identify and assess the risk of material misstatement of financial statements, whether due to fraud or error, in particular revenue recognition and management override of control. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of material misstatement and non-compliance with laws and regulations, including fraud, we designed procedures which included;

• Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
• Reviewing minutes of meetings of those charged with governance;
• Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
• Reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations;
• Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations;
• Assessing whether revenue has been accounted for in the correct period and the existence of revenue at the cut off date based on the adopted accounting policy for revenue.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Groundwork Caerphilly

Independent Auditor's Report to the Members of Groundwork Caerphilly

Use of our report

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....

Mr Andrew Hill FCCA ACA DChA BFP (Senior Statutory Auditor)
For and on behalf of HSJ Audit Limited, Statutory Auditor

Severn House
Hazell Drive
Newport
South Wales
NP10 8FY

Date: 12/12/2025.....

Groundwork Caerphilly

Statement of Financial Activities for the Year Ended 31 March 2025 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2025 £
Income and Endowments from:				
Donations and legacies	3	36	-	36
Charitable activities	4	420,308	-	420,308
Other income		572	-	572
Total income		420,916	-	420,916
Expenditure on:				
Charitable activities	5	(453,175)	(14,203)	(467,378)
Total expenditure		(453,175)	(14,203)	(467,378)
Net expenditure		(32,259)	(14,203)	(46,462)
Net movement in funds		(32,259)	(14,203)	(46,462)
Reconciliation of funds				
Total funds brought forward		179,600	154,080	333,680
Total funds carried forward	18	147,341	139,877	287,218

Groundwork Caerphilly

Statement of Financial Activities for the Year Ended 31 March 2025 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £
Income and Endowments from:				
Donations and legacies	3	40,800	-	40,800
Charitable activities	4	335,309	10,163	345,472
Total income		376,109	10,163	386,272
Expenditure on:				
Charitable activities	5	(337,067)	(26,169)	(363,236)
Total expenditure		(337,067)	(26,169)	(363,236)
Net income/(expenditure)		39,042	(16,006)	23,036
Net movement in funds		39,042	(16,006)	23,036
Reconciliation of funds				
Total funds brought forward		140,558	170,086	310,644
Total funds carried forward	18	179,600	154,080	333,680

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2024 is shown in note 18.

Groundwork Caerphilly

(Registration number: 02501792)
Balance Sheet as at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	11	142,370	153,435
Investments	12	100	100
		142,470	153,535
Current assets			
Stocks	13	10,817	10,465
Debtors	14	33,664	31,046
Cash at bank and in hand	15	508,184	231,270
		552,665	272,781
Creditors: Amounts falling due within one year	16	(407,917)	(92,636)
Net current assets		144,748	180,145
Net assets		287,218	333,680
Funds of the charity:			
Restricted income funds			
Restricted funds		139,877	154,080
Unrestricted income funds			
Unrestricted funds		147,341	179,600
Total funds	18	287,218	333,680

The financial statements on pages 5 to 19 were approved by the trustees, and authorised for issue on .....and signed on their behalf by:

Phil Fiander (Dec 11, 2025 15:53:18 GMT)

P T Fiander
Trustee

1 Charity status

The charity is limited by guarantee, incorporated in Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
Ty Mynyddislwyn Offices
Bryn Road
Pontllanfraith
Blackwood
NP12 2BH

Authorised for issue: 10 December 2025

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

Basis of preparation
The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest£.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Figures contained in the financial statements have been rounded to the nearest pound.

Going concern
The charity reported a net unrestricted outflow of £32,259 for the year. Trustees are monitoring results on a frequent basis. The trustees are of the view that with the support of the parent charity, the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

Judgements
In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Income and endowments
Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Income and grants are included in incoming resources when receivable, except as follows: -

- When donors specify that the grants must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- When donors specify that grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Grants that relate to capital expenditure on specific projects are treated as restricted funds that are charged to the income and expenditure account at acquisition. This treatment is due to the nature of the funding as the grants are received to provide equipment to specifically run the projects and services.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Expenditure
Expenditure incurred by the charity in. the year has been split between restricted and unrestricted funds. Costs have been analysed between direct charitable expenditure, fundraising and publicity and the administration and management of the charity. Expenditure relating directly to a cost category has been charged to that account. Expenditure, which includes more than one cost category, has been apportioned on a reasonable, justifiable and consistent basis to the categories involved. Committed expenditure that has yet to be invoiced is, in line with best accounting practice, not recognised in these accounts. It is intended that such expenditure will be funded by future income flows.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure has been allocated to management and administration of the trust, where it relates to the management of the trust's assets, organisational administration and compliance with constitutional and statutory requirements.

Charitable activities

This includes all expenditure directly related to the aims of the charity as follows:

• To promote the conservation, protection and improvement of the physical and natural environment.
• To provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living, working and visiting in the area.
• To advance public education in environmental matters and in the ways of better conserving, protecting and improving the environment.

Support costs
Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs
These costs include the costs of governance arrangements, which relate to the general running of Groundwork Caerphilly as opposed to the direct management functions inherent in generating funds, service delivery and programme of project work. These include such items as external audit, legal advice for trustees and costs associated with constitutional and statutory requirements.

Taxation
As a registered charity, Groundwork Caerphilly is entitled to the exemption from taxation in respect of income and capital gains received with sections 47.8-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act i992 to the extent that these are applied to its charitable objects purposes only.

Tangible fixed assets
Individual fixed assets costing £500.00 or more are initially recorded at cost.

Depreciation and amortisation
Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computers	33.33% on cost
Office equipment	20% on cost
Plant & machinery	20% on cost
Buildings	2.5% on cost
Land	0% on cost

Fixed asset investments
Investments relate to 100% of the share capital of the charity's wholly owned trading subsidiary and are recognised at cost less provision for impairment.

Stock
Stocks are valued at the lower of cost and net realisable value. Net realisable value is bas-ed on the estimated selling price after taking into account all further costs and excess stocks that are slow moving.

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure
Unrestricted funds are available for use at the discretion of the trustees in furtherance of the trust's general objectives.

Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds are funds subject to specific restrictive conditions imposed by the terms of the grant or funding body.

Hire purchase and finance leases

Pensions and other post retirement obligations

The charity operates a defined contripution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against both restricted and unrestricted funds.

Financial instruments

Classification

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Recognition and measurement

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled

3 Income from donations and legacies

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Donations and legacies;			
Donations from individuals	36	36	40,800
	36	36	40,800

4 Income from charitable activities

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Grants	40,362	40,362	22,294
Environment Centre	50,381	50,381	38,208
Furniture Revival	329,564	329,564	284,970
	420,307	420,307	345,472

5 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2025 £	2024 £
Staff costs	225,059	37,355	262,414	192,313
Administrtion and sundry	651	1,474	2,125	2,203
Volunteer costs	1,278	-	1,278	1,222
Communications & IT	5,335	2,455	7,790	7,197
Material & direct purchases	32,965	-	32,965	41,615
Motor travel and expenses	-	-	-	87
Premises expenses	89,051	5,634	94,685	70,152
Project travel and transport	15,144	-	15,144	14,001
Project publicity	1,042	-	1,042	84
Depreciation	13,672	-	13,672	16,859
Training & recruitment	77	-	77	467
Governance	-	36,186	36,186	17,036
	384,274	83,104	467,378	363,236

6 Analysis of governance and support costs

7 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2025 £	2024 £
Audit fees	3,275	3,962
Depreciation of fixed assets	13,672	15,578
Amortisation of goodwill	-	1,281

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	210,831	145,125
Social security costs	13,093	8,841
Pension costs	3,672	2,485
Other staff costs	34,818	35,862
	262,414	192,313

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2025 No	2024 No
Direct charitable	9	6

Senior Management costs are recharged from the charity's parent entity, Groudwork Wales.

No employee received emoluments of more than £60,000 during the year.

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

11 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2024	150,000	838	56,931	207,769
Additions	-	2,609	-	2,609
At 31 March 2025	150,000	3,447	56,931	210,378
Depreciation				
At 1 April 2024	24,375	544	29,416	54,335
Charge for the year	1,875	412	11,386	13,673
At 31 March 2025	26,250	956	40,802	68,008
Net book value				
At 31 March 2025	123,750	2,491	16,129	142,370
At 31 March 2024	125,625	294	27,515	153,434

12 Fixed asset investments

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2024	100	100
At 31 March 2025	100	100
Net book value		
At 31 March 2025	100	100
At 31 March 2024	100	100

13 Stock

	2025 £	2024 £
Stocks	10,817	10,465

14 Debtors

	2025 £	2024 £
Trade debtors	22,432	15,016
Prepayments	11,232	14,430
Accrued income	-	1,600
	33,664	31,046

15 Cash and cash equivalents

	2025 £	2024 £
Cash on hand	100	50
Cash at bank	508,084	231,220
	508,184	231,270

16 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	4,324	2,422
Due to group undertakings	361,037	59,488
Other taxation and social security	2,853	-
VAT grant repayable	4,881	3,160
Other creditors	860	-
Accruals	26,557	22,885
Deferred income	7,405	4,681
	407,917	92,636

17 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £3,672 (2024 - £2,485).

18 Funds

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Balance at 31 March 2025 £
Unrestricted funds				
General				
General funds	133,415	384,730	(381,526)	136,619
Designated				
Building maintenance costs	46,185	-	(35,463)	10,722
Total unrestricted funds	179,600	384,730	(416,989)	147,341
Restricted funds				
Ty Mynyddislwyn Enironment Centre	125,622	-	(1,875)	123,747
Circular Economy Fund	27,458	-	(11,328)	16,130
Tesco Community Grant	1,000	-	(1,000)	-
	154,080	-	(14,203)	139,877
Total funds	333,680	384,730	(431,192)	287,218

Notes to the Financial Statements for the Year Ended 31 March 2025

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2024 £
Unrestricted funds					
General					
General funds	70,855	359,073	(255,722)	(40,791)	133,415
Designated					
Building maintenance costs	69,703	-	(64,309)	40,791	46,185
Total unrestricted funds	140,558	359,073	(320,031)	-	179,600
Restricted funds					
Ty Mynyddislwyn Enironment Centre	127,500	-	(1,878)	-	125,622
Garfield Weston	2,431	-	(2,431)	-	-
Windpower Community Fund	172	-	(172)	-	-
Circular Economy Fund	39,983	-	(12,525)	-	27,458
Pen Bryn Oer	-	6,663	(6,663)	-	-
Quaker Oats	-	1,000	(1,000)	-	-
Tesco Community Grant	-	2,500	(1,500)	-	1,000
	170,086	10,163	(26,169)	-	154,080
Total funds	310,644	369,236	(346,200)	-	333,680

The specific purposes for which the funds are to be applied are as follows:

Ty Myriyddislwyn Environment Centre - This represents funding provided to purchase the property under the capital asset transfer scheme. The depreciation cost is shown in resources expended.

Garfield Weston - grant funding provided for capital. The depreciation cost is shown in resources expended,

Windpower Community Fund - grant funding provided for capital. The depreciation cost is shown in resources expended.
Circular Economy Fund "- The fund was open to local authorities to help Wales Shift towards a circular economy driving further increases in recycling and decarbonisation. In 2021/22, this included the donation of two vehicles to the charity, The depreciation cost is shown in resources expended.

Pen Bryn Oer - The funding was received to support community groups who offer vital services.

19 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds at 31 March 2025
	General	Designated		
	£	£	£	£
Tangible fixed assets	2,493	-	139,877	142,370
Fixed asset investments	100	-	-	100
Current assets	541,943	10,722	-	552,665
Current liabilities	(407,917)	-	-	(407,917)
Total net assets	136,619	10,722	139,877	287,218

	Unrestricted funds		Restricted funds	Total funds at 31 March 2024
	General	Designated		
	£	£	£	£
Tangible fixed assets	-	-	153,435	153,435
Fixed asset investments	100	-	-	100
Current assets	225,951	46,185	645	272,781
Current liabilities	(92,636)	-	-	(92,636)
Total net assets	133,415	46,185	154,080	333,680

20 Related party transactions

During the year the charity made the following related party transactions:

Groundwork Wales
(Parent entity)

During the year ended 31 March 2024, the charity's parent company, Groundwork Wales, donated £30,000 to the charity.

During the year the charity was recharged £34,818 (2024: £35,862) by Groundwork Wales for salary costs. At the balance sheet date the amount due to Groundwork Wales was £361,037 (2024 - £59,488).

21 Parent and ultimate parent undertaking

Groundwork Wales is the charity's parent company and is the ultimate controlling party. Its purpose is to build sustainable communities in areas of need through joint environmental action. Groundwork Wales is the sole member of Groundwork Caerphilly; its company registration number is 03577896 and its charity registration number is 1096662

The company's immediate parent is Groundwork Wales, incorporated in England & Wales.

These financial statements are available upon request from Ty Mynyddislwyn Offices Bryn Road, Pontllanfraith, Blackwood, Gwent, NP12 2PH

5.i. Groundwork Caerphilly - 2025 Report Financial Statements

Final Audit Report 2025-12-11

Created:	2025-12-11
By:	Katy Greco (wales.info@groundwork.org.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAASRQAKOq1FuD4WfxmgFg2N8sRDIzVXZRj

"5.i. Groundwork Caerphilly - 2025 Report Financial Statements " History

Document created by Katy Greco (wales.info@groundwork.org.uk)
2025-12-11 - 3:49:28 PM GMT

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Email viewed by Phil Fiander (philfiander@gmail.com)
2025-12-11 - 3:52:06 PM GMT

Document e-signed by Phil Fiander (philfiander@gmail.com)
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GROUNDWORK CAERPHILLY

England & Wales - Charity number 1006811

Accounts

CHANGING PLACES
CHANGING LIVES

Groundwork Caerphilly

Annual Report and Financial Statements 2023/24

Groundwork Caerphilly

Charity registration no. 1006811
Company registration no. 2501792

Registered office
Ty Mynyddislwyn Offices, Bryn Road, Pontllanfraith, Blackwood, Gwent NP12 2BH

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About Groundwork Caerphilly

Groundwork Caerphilly is a charity, working within the federation of Groundwork Trusts, locally and nationally to transform lives in the UK's most disadvantaged communities.

We're passionate about creating a future where every neighbourhood is vibrant and green, every community is strong and able to shape its own destiny and no-one is held back by their background or circumstances.

We help people gain confidence and skills, get into training and work, protect and improve green spaces, lead more active lives and overcome significant challenges such as poverty, isolation, low skills and poor health.

Groundwork Caerphilly is registered as a company and charity. This report outlines the activity, priorities and financial position of Groundwork. More information on our work can be found in our Impact Report and on our website.

Chairman's statement

Our operations have gone from strength to strength this year, with growth across the environment centre and our flagship furniture reuse operation, the Furniture Revival and I'm impressed by the resilience of the charity's enterprising activity, which supports local communities in need.

The highlights this year have been:

- Continued refurbishment of the Environment Centre - our listed building and head office
- Growth in The Furniture Revival with the opening of a new shop in Maesteg, Bridgend

I would like to thank the loyal and dedicated staff in Groundwork Caerphilly who are the foundation of our continuing success. The resilience and success of Groundwork Caerphilly lies in our capacity to not only function in difficult circumstances but also to constantly adapt whilst always being conscious of the welfare of our staff and of our customer base.

Governance

Registration numbers

Charity registration no. 1006811 Company registration no. 2501792

Structure

Groundwork Caerphilly's governing documents are its Memorandum and Articles of Association, which were last amended by written resolution in 2012.

Board of trustees

The board of trustees sit in accordance with the Charities Act 2011 and they are also the directors of the company in accordance with the Companies Act 2006. The majority of our trustees are co- opted, with one nominated member from Caerphilly council. We seek a broad skills base on our board of trustees to enable us to benefit from specialist expertise and networks.

We take our governance responsibilities very seriously, recognising the need to ensure as much of our resource as possible is expended on delivering our charitable mission while ensuring our organisation is strong, well-managed and financially viable in the long term.

New trustees are provided with an induction to the organisation, which includes a specific focus on their role and responsibilities.

Trustees are responsible for ensuring sound organisational systems, processes and policies are maintained and embedded in the way Groundwork UK is managed. This includes policies governing our fundraising standards, our investments and our responsibilities to our staff, volunteers and beneficiaries. We pay particular attention to issues of health and safety, safeguarding, data protection and information security, each of which has a champion on our board, and maintains comprehensive business continuity arrangements. We undertake a regular skills audit of our board to ensure we have access to the expertise needed to run our organisation efficiently, effectively and safely.

Groundwork Wales' Management Team is led by the Chief Executive and includes senior staff members responsible for financial and business management, business development, communications and fundraising and programme management. Groundwork Wales management team manage Groundwork Caerphilly. This team is fully accountable to the Board and its Committees. It operates through delegated powers outlined in our financial regulations and provides regular reports on financial and operational performance and risk management.

Related party transactions

Each Groundwork Trust is an independent charity with similar aim. We operate within a group structure and Groundwork Caerphilly is a wholly owned subsidiary. Each Trust is therefore responsible for its own management and administration, and for developing and delivering projects that meet its objectives and core purposes. The appointed trustees of Groundwork Wales are also trustees of Groundwork Caerphilly. Groundwork Caerphilly is a related party to Groundwork Wales.

Groundwork Caerphilly has considered the other disclosure requirements of the SORP and believes that there are no other related party transactions.

Our commitments

Everything Groundwork Caerphilly does is underpinned by a set of values, which inform the way we work and behave. We are environmentally aware and focused on communities in need. We are collaborative, show integrity and strive for quality in everything we do. Our decisions, actions and operations are also guided by our sustainable development policy, which sets out how we aim to contribute to creating a strong and just society living within environmental limits.

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes".

All of our fundraising is managed internally and we do not employ commercial participators or professional third-party fundraisers. The day to day management of all income generation activity is delegated to the senior management team, who are accountable to the trustees.

Groundwork Caerphilly is not required to be bound by any regulatory scheme.

As a charity dedicated to supporting people who may be vulnerable we are committed to ensuring our operations are delivered safely and to the highest ethical standards. We have a Groundwork- wide commitment to effective safeguarding and aim to meet best practice standards in terms of management, governance and transparent reporting.

Advisors

Auditors

HSJ Audit Limited
Severn House
Hazell Drive
Newport
NP10 8FY

Bankers

HSBC
91 High Street
Blackwood NP12
1PN

The Board of Trustees

The trustees (who are the directors of the company in accordance with the Companies Act 2006) on the date of approval of this report, or who served as trustees at any time during the year reported on, are as follows.

Appointed trustees	First appointed	Last appointed	Retired/resigned
Councillor C Mann	18 July 2012		
Mr P Fiander	17 September 2019		
Mr J Greenidge	17 September 2019		23rd May 2024
Mr D Havard	17 September 2019		27th May 2022
Ms K Heenan-Davies	17 September 2019		11th November 2022
Ms N Rees	17 September 2019		6th September 2024

Chair
Mr P Fiander

Chief Executive
Ms K Stevenson

Objectives and public benefit

Groundwork Caerphilly's charitable objectives are set down in its Memorandum of Association and date from the interpretation of charitable activities when they were drafted, as amended at annual general meetings and by written resolution in 2012. They commit Groundwork Caerphilly to delivering and promoting regeneration and sustainable development as follows.

To promote the conservation, protection and improvement of the physical and natural environment in the County Boroughs of Caerphilly and other South Wales Local Authority areas including Torfaen, Newport and Monmouthshire.

To provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting to the Area.

To advance public education in environmental matters and of the ways of better conserving, protecting and improving the same wheresoever.

To promote for the public benefit, urban or rural regeneration in areas of social and economic deprivation within the Area by all or any of the following means:

- the relief of poverty in such ways as may be thought fit;
- the relief of unemployment in such ways as may be thought fit including assistance to find employment;
- the advancement of education, training or re-training particularly amongst unemployed people and providing unemployed people with work experience;
- the provision of financial assistance, technical assistance, business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help:
    - (a) in setting up their own businesses; or
    - (b) to existing businesses;
- the creation of training and employment opportunities by the provision of workspace, buildings and/or land for use on favourable terms;

- the provision of housing for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing;

- the maintenance, improvement or provision of public amenities, including the provision of routeways such as footpaths and cycleways and access to main transport routes;

- the preservation of buildings or sites of historic or architectural importance;

- the provision or assistance in the provision of recreational facilities for the public at large and/or those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities;

- the protection or conservation of the environment, including the reclamation of derelict land for use as open space;

- the provision of public health facilities and childcare, including the provision of schemes to promote healthier lifestyles and crèche facilities to increase the ability of parents to take up employment;

- the promotion of public safety and prevention of crime, including the alleviation of anti-social behaviour;

- such other means as may from time to time be determined subject to the prior written consent of the Charity Commissioners for England and Wales.

To promote sustainable development for the benefit of the public within the Area by:

- the preservation, conservation and the protection of the environment and the prudent use of resources;

- the relief of poverty and the improvement of the conditions of life in socially and disadvantaged communities;

- the promotion of sustainable means of achieving economic growth and regeneration.

To advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large.

Sustainable development in this Article and in Article 1 above means "development which meets the needs of the present without compromising the ability of future generations to meet their own needs".

To promote the efficiency and effectiveness of charities within the Area in the direct furtherance of their objects (or any one of them) by the provision of information, advice and assistance in the establishment, administration and management of such charities including assistance of all types in connection with the raising and distribution of funds.

To promote the efficiency and effectiveness of the voluntary sector for the benefit of the public by the provision of information, support and advice to local community-based groups anywhere in the Area.

Groundwork Caerphilly's trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the organisation's objectives and planning future activities. In particular, the trustees consider how planned activities will contribute to the charitable objectives set out above. Further details about the impact of Groundwork UK's activities during the year can be found on the following pages.

Our work is designed to address the needs of all sections of the community and we provide equal access to our services regardless of race, gender, disability or sexual orientation.

For further details about our work visit **www.groundwork.org.uk**

The Board of Trustees presents its report for the year ended 31 March 2024. This includes statements about our organisation (page 2), its objectives and its governance (page 3), our financial and operational review for the year (pages 7-9), our plans for the future (pages 6-7) and details of our trustees, senior staff and advisers (pages 31-32).

1. Performance overview

2023/24 has been a challenging year for Groundwork Caerphilly.

The majority of activities set out in our business plan for the year have been progressed.

Levels of income generated for the year were up by £1,400 as a result of recovering from a challenging operating environment with the ongoing pandemic.

Activity highlights

Groundwork continues to deliver a rich variety of local projects, programmes and services that are transforming lives in local communities and helping more people get involved in taking action to improve their personal circumstances and the quality of life in their area.

Last year we sourced £386,272 of funding or enterprising income to support our mission.

During the year we commenced refurbishment works to the building which is listed at Grade II. A full slate roof refurbishment together with additional flat roof and other cosmetic improvements have been necessary in order to bring the building up to the required standard as well as seal water ingress issues.

2. Our plans for the future

In order to ensure Groundwork Caerphilly's activities are fully aligned with the needs and expectations of our wider federation, our forward plans are clearly and explicitly driven by Groundwork's collectively agreed strategy. This can be summarised as follows:

'Groundwork 2024', details how we will support communities to combat the climate and nature emergency, improve their health and wellbeing and gain access to learning and work opportunities.

Groundwork 2024 sets out the charity's ambition to become a significant, radical, national force for driving change in attitudes, behaviours, places and prospects in the local communities that need it most. The strategy commits Groundwork to achieving the following by 2024:

- Mobilise 75,000 days of voluntary action to combat the climate and nature emergency
- Connect 50,000 people with their community and nature to improve wellbeing
- Support 20,000 people into accessing learning and work

Groundwork Caerphilly will continue to run Ty Mynyddislwyn Environment Centre to provide facilities for local communities as well as Groundwork Wales programmes, to improve and strengthen our provision of community development, physical activity, environmental regeneration, employability and volunteering programmes. We will do this by the selling on of reusable furniture to customers in need and delivering contracts to Caerphilly County Borough Council and developing new contracts with other Local Authorities.

3. Financial performance

Groundwork Caerphilly net incoming resources for 2023/24 totalled £23,036 (compared to £5,269 in 2022/23), with an unrestricted surplus of £39,042.

Our long-term financial strategy has two clear and linked strands as follows:

- to manage our overhead costs to ensure discretionary spending is focused on supporting front line delivery and generating more income while maintaining the capacity we need to operate effectively and safely.

- to achieve an operating surplus so that we can hold a level of reserves sufficient to sustain our charitable operations and strengthen our balance sheet to support commercial services and manage the risk of outcome-based funding arrangements.

3.1 Reserves

In line with this financial strategy, our trustees have agreed that we should aim to hold 3 months operating costs (circa £82K) in liquid reserves. We believe this is appropriate for the following reasons:

- to absorb short term setbacks such as loss or delays in funding
- to provide the working capital required to finance retrospective 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 Groundwork
- to cover the cost of developing new services, such as improved communications, research and quality and business information systems
- to set aside funds for capital assets such as ICT equipment
- to provide funding to cover any unforeseen downturn in activity, allowing alternative activity to be generated and/or a planned down-sizing of our staff team.

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

- the need to be seen as a responsible charity by the Charity Commission, our partners and funders, our member Trusts within Groundwork and the communities we serve
- the need to avoid the creation or retention of unnecessary surpluses for which there is no future planned requirement or that bear no relation to our charitable aims.

Unrestricted reserves, excluding designated reserves, are in surplus by £133,415 (2023: £70,855) with restricted funds of £154,080 (2023: £170,086). Designated funds of £46,185 will be spent for future maintenance costs to the Ty Mynyddislwyn premises.

Restricted funds can only be used in accordance with agreements reached with funders relating to programmes of work and therefore do not form part of the general reserves that are under the control of the trustees. These funds at the year- end relate to fixed assets acquired in previous years, which are being depreciated over their useful life. The future movements on any such restricted funds reflect the long-term nature of Groundwork Caerphilly's programme activity and in no way reflects on the organisation's financial efficiency or performance.

3.2 Investments

The majority of the grant funds obtained by Groundwork Caerphilly are provided against specified projects for particular needs and are therefore of a restricted nature.

We do not invest monies.

3.3 Principal funding sources

Our major sources of funding during the last year are set out below.

- Income through charitable trading:
    - The selling on of reusable furniture to customers in need
    - The rental of facilities at Ty Mynyddislwyn Environment Centre
    - The delivery of contracts under SLA with Caerphilly Council for the collection of bulky household waste and white goods
    - The delivery of contracts for battery collections
- Public sector funding - £22,294 (£34,218 in 2023)
    - Caerphilly County Borough Council SLAs
    - Community Facilities Programme
- Charitable Donations

3.4 Expenditure on charitable objectives

In line with the objectives set in our Groundwork 2020 strategy and the Groundwork Caerphilly business plan, our expenditure in the year was directed towards the following activities:

- The selling collection and selling on of reusable furniture to customers in need
- The rental of facilities at Ty Mynyddislwyn Environment Centre
- The delivery of contracts under SLA with Caerphilly Council for the collection of bulky household waste and white goods
- The delivery of contracts for battery collections
- Operation of Groundwork Wales' office base from Ty Mynyddislwyn

3.5 Key Performance Indicators

Data against a number of key performance indicators is presented to our trustees on a quarterly basis to measure our success in profile raising, income generation, programme management and continual improvement. These KPIs are tracked on a rolling basis and compared to target levels of performance outlined in our annual business plan.

Monthly management accounts track progress against our financial targets and reforecasts to the year-end are made quarterly. A key performance indicator is the amount of income secured as a percentage of forecast salaries and operating costs. This informs year-end forecasts based on prior years' experience.

3.6 Sustainable Development Report

Groundwork's charitable mission is to promote sustainable development – helping communities and individuals develop the understanding and capability to take action and make choices that deliver social equity and economic prosperity while recognising the need to live within the earth's finite natural resources. In order to have credibility as an organisation we need to demonstrate that the principles of sustainable development underpin the way we go about our work. Our sustainable development policy commits us to reporting on how these principles are integral to the way we plan and manage our operations, support our employees and utilise our resources.

3.7 Principal risks and uncertainties

Our board of trustees understands 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.

Within our Group, Trustees regularly review the development and operation of our risk management process and receive quarterly updates on actions put in place to mitigate the most significant ongoing risks. Risks are identified by our staff teams and reviewed on a regular basis by our management team.

The major areas of potential risk, for which we have active mitigation strategies in place, are as follows:

- Slow recovery in financial climate, inability to secure income and threat to bottom line and business viability
- Increased competition / Diminishing Grant funds
- Lower Business Viability/Pressure on reserves - Significant reduction in core funding WG, Significant reduction in funding Local Authorities

Groundwork Caerphilly 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 organisation, and that these processes are used to help identify at an early stage issues that affect performance or the achievement of our purpose.

However, trustees also recognise that our process can only seek to manage rather than eliminate risk, and that it should therefore be only one of the tools that the Board uses to provide effective control and management of the administration of the charity.

3.8 Financial instruments

Groundwork Caerphilly's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. Our policy is to finance fixed assets and working capital through retained reserves.

4 Statement of trustees' responsibilities

The trustees, who are also the directors of Groundwork Caerphilly for the purposes of company law, are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
Under company law the trustees 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 charity and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Signed on behalf of the Board of trustees



Phillip Fiander
Chairman

Date: 20/11/2024

Groundwork Caerphilly

Independent Auditor's Report to the Members of Groundwork Caerphilly

Opinion

We have audited the financial statements of Groundwork Caerphilly (the 'charity') for the year ended 31 March 2024, which comprise the Statement of Financial Activities, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 the provisions available for small entities, in the circumstances set out in note to the financial statements, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

Independent Auditor's Report to the Members of Groundwork Caerphilly

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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 9 and 10), the trustees 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 trustees determine is 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor 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 an auditor's report 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Independent Auditor's Report to the Members of Groundwork Caerphilly

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework.

We communicated identified fraud risks throughout the engagement team and remained alert throughout the engagement process for any indications of fraud.

As required by the auditing standards, we identify and assess the risk of material misstatement of financial statements, whether due to fraud or error, in particular revenue recognition and management override of control. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of material misstatement and non-compliance with laws and regulations, including fraud, we designed procedures which included;

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations;
- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations;
- Assessing whether revenue has been accounted for in the correct period and the existence of revenue at the cut off date based on the adopted accounting policy for revenue.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Groundwork Caerphilly

Independent Auditor's Report to the Members of Groundwork Caerphilly

Use of our report

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Andrew Hill FCCA ACA DChA BFP (Senior Statutory Auditor)
For and on behalf of HSJ Audit Limited, Statutory Auditor

Severn House
Hazell Drive
Newport
South Wales
NP10 8FY

21 November 2024

Groundwork Caerphilly

Statement of Financial Activities for the Year Ended 31 March 2024 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £
Income and Endowments from:				
Donations and legacies	3	40,800	-	40,800
Charitable activities	4	335,309	10,163	345,472
Total income		376,109	10,163	386,272
Expenditure on:				
Charitable activities	5	(337,067)	(26,169)	(363,236)
Total expenditure		(337,067)	(26,169)	(363,236)
Net income/(expenditure)		39,042	(16,006)	23,036
Net movement in funds		39,042	(16,006)	23,036
Reconciliation of funds				
Total funds brought forward		140,558	170,086	310,644
Total funds carried forward	19	179,600	154,080	333,680

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £
Income and Endowments from:				
Donations and legacies	3	30,545	-	30,545
Charitable activities	4	344,910	9,130	354,040
Other income		287	-	287
Total income		375,742	9,130	384,872
Expenditure on:				
Charitable activities	5	(351,492)	(28,111)	(379,603)
Total expenditure		(351,492)	(28,111)	(379,603)
Net income/(expenditure)		24,250	(18,981)	5,269
Net movement in funds		24,250	(18,981)	5,269
Reconciliation of funds				
Total funds brought forward		116,308	189,067	305,375
Total funds carried forward	19	140,558	170,086	310,644

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2023 is shown in note 19.

Groundwork Caerphilly

(Registration number: 2501792)
Balance Sheet as at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	11	-	1,281
Tangible assets	12	153,435	169,012
Investments	13	100	100
		153,535	170,393
Current assets			
Stocks	14	10,465	9,032
Debtors	15	31,046	15,997
Cash at bank and in hand	16	231,270	489,446
		272,781	514,475
Creditors: Amounts falling due within one year	17	(92,636)	(374,224)
Net current assets		180,145	140,251
Net assets		333,680	310,644
Funds of the charity:			
Restricted income funds			
Restricted funds		154,080	170,086
Unrestricted income funds			
Unrestricted funds		179,600	140,558
Total funds	19	333,680	310,644

The financial statements on pages 15 to 28 were approved by the trustees, and authorised for issue on 20 November 2024 and signed on their behalf by:

.....
P T Fiander
Trustee

1 Charity status

The charity is limited by guarantee, incorporated in Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
Ty Mynyddislwyn Offices
Bryn Road
Pontllanfraith
Blackwood
NP12 2BH

These financial statements were authorised for issue by the trustees on 20 November 2024.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

Basis of preparation
The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest£.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Figures contained in the financial statements have been rounded to the nearest pound.

Going concern
The charity reported a net unrestricted inflow of £39,043 for the year. Trustees are monitoring results on a frequent basis. The trustees are of the view that with the support of the parent charity, the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

Judgements

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Income and endowments

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Income and grants are included in incoming resources when receivable, except as follows: -

- When donors specify that the grants must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- When donors specify that grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Grants that relate to capital expenditure on specific projects are treated as restricted funds that are charged to the income and expenditure account at acquisition. This treatment is due to the nature of the funding as the grants are received to provide equipment to specifically run the projects and services.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Expenditure
Expenditure incurred by the charity in. the year has been split between restricted and unrestricted funds. Costs have been analysed between direct charitable expenditure, fundraising and publicity and the administration and management of the charity. Expenditure relating directly to a cost category has been charged to that account. Expenditure, which includes more than one cost category, has been apportioned on a reasonable, justifiable and consistent basis to the categories involved. Committed expenditure that has yet to be invoiced is, in line with best accounting practice, not recognised in these accounts. It is intended that such expenditure will be funded by future income flows.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure has been allocated to management and administration of the trust, where it relates to the management of the trust's assets, organisational administration and compliance with constitutional and statutory requirements.

Charitable activities

This includes all expenditure directly related to the aims of the charity as follows:

• To promote the conservation, protection and improvement of the physical and natural environment.
• To provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living, working and visiting in the area.
• To advance public education in environmental matters and in the ways of better conserving, protecting and improving the environment.

Support costs
Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs
These costs include the costs of governance arrangements, which relate to the general running of Groundwork Caerphilly as opposed to the direct management functions inherent in generating funds, service delivery and programme of project work. These include such items as external audit, legal advice for trustees and costs associated with constitutional and statutory requirements.

Taxation
As a registered charity, Groundwork Caerphilly is entitled to the exemption from taxation in respect of income and capital gains received with sections 47.8-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act i992 to the extent that these are applied to its charitable objects purposes only.

Intangible assets
Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Tangible fixed assets
Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Amortisation
Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Development costs	20% on cost

Depreciation and amortisation
Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computers	33.33% on cost
Office equipment	20% on cost
Plant & machinery	20% on cost
Buildings	2.5% on cost
Land	0% on cost

Fixed asset investments
Investments relate to 100% of the share capital of the charity's wholly owned trading subsidiary and are recognised at cost less provision for impairment.

Stock
Stocks are valued at the lower of cost and net realisable value. Net realisable value is bas-ed on the estimated selling price after taking into account all further costs and excess stocks that are slow moving.

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure
Unrestricted funds are available for use at the discretion of the trustees in furtherance of the trust's general objectives.

Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds are funds subject to specific restrictive conditions imposed by the terms of the grant or funding body.

Hire purchase and finance leases
The rentals under operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged against profit as incurred.

Pensions and other post retirement obligations
The charity operates a defined contripution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against both restricted and unrestricted funds.

Financial instruments

Classification

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Recognition and measurement

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled

3 Income from donations and legacies

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Donations and legacies;			
Donations from individuals	40,800	40,800	30,545
	40,800	40,800	30,545

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2024 £	Total 2023 £
Grants	12,131	10,163	22,294	43,348
Environment Centre	38,208	-	38,208	61,664
Furniture Revival	284,970	-	284,970	249,028
	335,309	10,163	345,472	354,040

5 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2024 £	2023 £
Staff costs	161,813	30,499	192,312	175,965
Administrtion and sundry	748	1,455	2,203	1,083
Volunteer costs	1,222	-	1,222	1,091
Communications & IT	5,629	1,568	7,197	3,785
Material & direct purchases	41,615	-	41,615	44,036
Motor travel and expenses	87	-	87	241
Subcontractors & consultancy	-	-	-	200
Premises expenses	64,043	6,109	70,152	80,418
Project travel and transport	14,001	-	14,001	16,636
Project publicity	84	-	84	84
Depreciation	16,859	-	16,859	17,106
Training & recruitment	467	-	467	1,314
Recharged premises costs	-	-	-	22,828
Governance	-	17,036	17,036	14,816
	306,568	56,667	363,235	379,603

6 Analysis of governance and support costs

7 Net incoming/outgoing resources

Net incoming resources for the year include:

	2024 £	2023 £
Audit fees	3,962	4,980
Depreciation of fixed assets	15,578	17,585
Amortisation of goodwill	1,281	1,397

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	145,125	122,742
Social security costs	8,841	8,610
Pension costs	2,485	5,891
Other staff costs	35,862	38,722
	192,313	175,965

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2024 No	2023 No
Direct charitable	6	6

No employee received emoluments of more than £60,000 during the year.

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

11 Intangible fixed assets

	Research and development £	Total £
Cost		
At 1 April 2023	6,988	6,988
Disposals	(6,988)	(6,988)
At 31 March 2024	-	-
Amortisation		
At 1 April 2023	5,707	5,707
Charge for the year	1,281	1,281
Eliminated on disposals	(6,988)	(6,988)
At 31 March 2024	-	-
Net book value		
At 31 March 2024	-	-
At 31 March 2023	1,281	1,281

12 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2023	150,000	838	68,331	219,169
Disposals	-	-	(11,400)	(11,400)
At 31 March 2024	150,000	838	56,931	207,769
Depreciation				
At 1 April 2023	22,500	378	27,338	50,216
Charge for the year	1,875	166	13,477	15,518
Eliminated on disposals	-	-	(11,400)	(11,400)
At 31 March 2024	24,375	544	29,415	54,334
Net book value				
At 31 March 2024	125,625	294	27,516	153,435
At 31 March 2023	127,500	460	40,993	168,953

13 Fixed asset investments

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2023	100	100
At 31 March 2024	100	100
Net book value		
At 31 March 2024	100	100
At 31 March 2023	100	100

14 Stock

	2024 £	2023 £
Stocks	10,465	9,032

15 Debtors

	2024 £	2023 £
Trade debtors	15,016	3,415
Prepayments	14,430	7,758
Accrued income	1,600	-
VAT recoverable	-	4,824
	31,046	15,997

16 Cash and cash equivalents

	2024 £	2023 £
Cash on hand	50	-
Cash at bank	231,220	489,446
	231,270	489,446

17 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	2,422	44,979
Due to group undertakings	59,488	301,110
VAT grant repayable	3,160	-
Other creditors	-	101
Accruals	22,885	25,039
Deferred income	4,681	2,995
	92,636	374,224

18 Obligations under leases and hire purchase contracts

19 Funds

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2024 £
Unrestricted funds					
General					
General funds	70,855	359,073	(255,722)	(40,791)	133,415
Designated					
Building maintenance costs	69,703	-	(64,309)	40,791	46,185
Total unrestricted funds	140,558	359,073	(320,031)	-	179,600
Restricted funds					
Ty Mynyddislwyn Enironment Centre	127,500	-	(1,878)	-	125,622
Garfield Weston	2,431	-	(2,431)	-	-
Windpower Community Fund	172	-	(172)	-	-
Circular Economy Fund	39,983	-	(12,525)	-	27,458
Pen Bryn Oer	-	6,663	(6,663)	-	-
Quaker Oats	-	1,000	(1,000)	-	-
Tesco Community Grant	-	2,500	(1,500)	-	1,000
	170,086	10,163	(26,169)	-	154,080
Total funds	310,644	369,236	(346,200)	-	333,680

Notes to the Financial Statements for the Year Ended 31 March 2024

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
General					
General funds	33,508	360,926	(293,579)	(30,000)	70,855
Designated					
Building maintenance costs	82,800	-	(43,097)	30,000	69,703
Total unrestricted funds	116,308	360,926	(336,676)	-	140,558
Restricted funds					
Ty Mynyddislwyn Enironment Centre	129,375	-	(1,875)	-	127,500
Garfield Weston	9,031	-	(6,600)	-	2,431
Windpower Community Fund	372	-	(200)	-	172
Circular Economy Fund	50,289	-	(10,306)	-	39,983
Pen Bryn Oer	-	4,816	(4,816)	-	-
Cwtsh	-	4,314	(4,314)	-	-
	189,067	9,130	(28,111)	-	170,086
Total funds	305,375	370,056	(364,787)	-	310,644

The specific purposes for which the funds are to be applied are as follows:

Ty Myriyddislwyn Environment Centre - This represents funding provided to purchase the property under the capital asset transfer scheme. The depreciation cost is shown in resources expended.

Garfield Weston - grant funding provided for capital. The depreciation cost is shown in resources expended,

Windpower Community Fund - grant funding provided for capital. The depreciation cost is shown in resources expended.
Circular Economy Fund "- The fund was open to local authorities to help Wales Shift towards a circular economy driving further increases in recycling and decarbonisation. In 2021/22, this included the donation of two vehicles to the charity, The depreciation cost is shown in resources expended.

Pen Bryn Oer - The funding was received to support community groups who offer vital services.

20 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds at 31 March 2024
	General	Designated		
	£	£	£	£
Tangible fixed assets	-	-	153,435	153,435
Fixed asset investments	100	-	-	100
Current assets	225,951	46,185	645	272,781
Current liabilities	(92,636)	-	-	(92,636)
Total net assets	133,415	46,185	154,080	333,680

	Unrestricted funds		Restricted funds	Total funds at 31 March 2023
	General	Designated		
	£	£	£	£
Intangible fixed assets	-	-	1,281	1,281
Tangible fixed assets	207	-	168,805	169,012
Fixed asset investments	100	-	-	100
Current assets	444,772	69,703	-	514,475
Current liabilities	(374,224)	-	-	(374,224)
Total net assets	70,855	69,703	170,086	310,644

21 Related party transactions

During the year the charity made the following related party transactions:

Groundwork Wales
(Parent entity)

During the year ended 31 March 2024, the charity's parent company, Groundwork Wales, donated £30,000 to the charity (2023: £30,000).

During the year the charity was recharged £35,862 (2023: £38,722) by Groundwork Wales for salary costs. At the balance sheet date the amount due to Groundwork Wales was £59,488 (2023 - £301,110).

22 Parent and ultimate parent undertaking

Groundwork Wales is the charity's parent company and is the ultimate controlling party. Its purpose is to build sustainable communities in areas of need through joint environmental action. Groundwork Wales is the sole member of Groundwork Caerphilly; its company registration number is 03577896 and its charity registration number is 1096662

The company's immediate parent is Groundwork Wales, incorporated in England & Wales.

These financial statements are available upon request from Ty Mynyddislwyn Offices Bryn Road, Pontllanfraith, Blackwood, Gwent, NP12 2PH

GROUNDWORK CAERPHILLY

England & Wales - Charity number 1006811

Accounts

Groundwork Caerphilly

Annual Report and Financial Statements 2022/23

Groundwork Caerphilly

Charity registration no. 1006811
Company registration no. 2501792

Registered office
Ty Mynyddislwyn Offices, Bryn Road, Pontllanfraith, Blackwood, Gwent NP12 2BH

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About Groundwork Caerphilly

Groundwork Caerphilly is a charity, working within the federation of Groundwork Trusts, locally and nationally to transform lives in the UK's most disadvantaged communities.

We're passionate about creating a future where every neighbourhood is vibrant and green, every community is strong and able to shape its own destiny and no-one is held back by their background or circumstances.

We help people gain confidence and skills, get into training and work, protect and improve green spaces, lead more active lives and overcome significant challenges such as poverty, isolation, low skills and poor health.

Groundwork Caerphilly is registered as a company and charity. This report outlines the activity, priorities and financial position of Groundwork. More information on our work can be found in our Impact Report and on our website.

Chairman's statement

As Chair of Governors, I extend my heartfelt gratitude to the dedicated and loyal staff at Groundwork Caerphilly, who are the cornerstone of our enduring success. Our resilience and achievements stem from our ability not only to function effectively in challenging circumstances but also to continuously adapt while prioritising the well-being of our staff and our valued customer base.

Some highlights that stand out are:

The exceptional Reuse Audit resulting in our operation being recommended to be upgraded to Business excellence ARC.

- Increased our online presence to develop online sales offering.
- The partnership with Repair Café Wales, Groundwork Wales, Caerphilly County Borough Council, Aneurin Bevan Public Health team we continued to host Repair café sessions monthly.

Through initiatives such as our green enterprise solutions and Furniture Revival, we are actively empowering individuals to realise their full potential. We have continued working in partnership with Welsh Government, Local Authorities (including Social Services, Communities for Work, and other departments), housing associations, homelessness organisations (Ty Fesen and others), community groups (including a range of local community groups e.g. Homestart, helping them and their clients access affordable furniture, many of whom are living in poverty and in dire need). Pobl Group of Housing Associations, Ty'rFesen, United Welsh Housing Association, Hafod, Linc Cymru, Tai Calon, Wales and West Housing, Merthyr Tydfil Housing Association, Merthyr Valley Homes, Cynon Taff, Rhondda Housing, Bron Afon and Newport City Homes, Caerphilly County Borough Council, Blaenau Gwent, Merthyr, Rhondda Cynon Taff, Torfaen and Newport County Borough Councils all use our services or recommend/direct their clients to us with operations in Caerphilly County Borough forming the vast majority of trade. Maintaining and further developing these partnerships are our priority. On 23 occasions we serviced emergency response situations. Our green enterprise services are specifically designed to counteract the adverse impacts of poverty on people's health, prosperity, and overall well-being.

We have undertaken extensive maintenance and refurbishment at our Environment Centre in Pontllanfraith, with a growing range of organisations utilising the space.

Together, we remain committed to making a positive difference in the lives of the communities we serve. Within these communities, we are witnessing a wealth of untapped talent, especially in areas facing significant deprivation.

Jeff Greenidge

Governance

Registration numbers

Charity registration no. 1006811
Company registration no. 2501792

Structure

Groundwork Caerphilly's governing documents are its Memorandum and Articles of Association, which were last amended by written resolution in 2012.

Board of trustees

The board of trustees sit in accordance with the Charities Act 2011 and they are also the directors of the company in accordance with the Companies Act 2006. The majority of our trustees are co-opted, with one nominated member from Caerphilly council. We seek a broad skills base on our board of trustees to enable us to benefit from specialist expertise and networks.

We take our governance responsibilities very seriously, recognising the need to ensure as much of our resource as possible is expended on delivering our charitable mission while ensuring our organisation is strong, well-managed and financially viable in the long term.

New trustees are provided with an induction to the organisation, which includes a specific focus on their role and responsibilities.

Trustees are responsible for ensuring sound organisational systems, processes and policies are maintained and embedded in the way Groundwork UK is managed. This includes policies governing our fundraising standards, our investments and our responsibilities to our staff, volunteers and beneficiaries. We pay particular attention to issues of health and safety, safeguarding, data protection and information security, each of which has a champion on our board, and maintains comprehensive business continuity arrangements. We undertake a regular skills audit of our board to ensure we have access to the expertise needed to run our organisation efficiently, effectively and safely.

Groundwork Wales' Management Team is led by the Chief Executive and includes senior staff members responsible for financial and business management, business development, communications and fundraising and programme management. Groundwork Wales management team manage Groundwork Caerphilly. This team is fully accountable to the Board and its Committees. It operates through delegated powers outlined in our financial regulations and provides regular reports on financial and operational performance and risk management.

Related party transactions

Each Groundwork Trust is an independent charity with similar aim. We operate within a group structure and Groundwork Caerphilly is a wholly owned subsidiary. Each Trust is therefore responsible for its own management and administration, and for developing and delivering projects that meet its objectives and core purposes. The appointed trustees of Groundwork Wales are also trustees of Groundwork Caerphilly. Groundwork Caerphilly is a related party to Groundwork Wales.

Groundwork Caerphilly has considered the other disclosure requirements of the SORP and believes that there are no other related party transactions.

Our commitments

Everything Groundwork Caerphilly does is underpinned by a set of values, which inform the way we work and behave. We are environmentally aware and focused on communities in need. We are collaborative, show integrity and strive for quality in everything we do. Our decisions, actions and operations are also guided by our sustainable development policy, which sets out how we aim to contribute to creating a strong and just society living within environmental limits.

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes".

All of our fundraising is managed internally and we do not employ commercial participators or professional third-party fundraisers. The day to day management of all income generation activity is delegated to the senior management team, who are accountable to the trustees.

Groundwork Caerphilly is not required to be bound by any regulatory scheme.

As a charity dedicated to supporting people who may be vulnerable we are committed to ensuring our operations are delivered safely and to the highest ethical standards. We have a Groundwork-wide commitment to effective safeguarding and aim to meet best practice standards in terms of management, governance and transparent reporting.

Objectives and public benefit

Groundwork Caerphilly's charitable objectives are set down in its Memorandum of Association and date from the interpretation of charitable activities when they were drafted, as amended at annual general meetings and by written resolution in 2012. They commit Groundwork Caerphilly to delivering and promoting regeneration and sustainable development as follows.

To promote the conservation, protection and improvement of the physical and natural environment in the County Boroughs of Caerphilly and other South Wales Local Authority areas including Torfaen, Newport and Monmouthshire.

To provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting to the Area.

To advance public education in environmental matters and of the ways of better conserving, protecting and improving the same wheresoever.

To promote for the public benefit, urban or rural regeneration in areas of social and economic deprivation within the Area by all or any of the following means:

- the relief of poverty in such ways as may be thought fit;
- the relief of unemployment in such ways as may be thought fit including assistance to find employment;
- the advancement of education, training or re-training particularly amongst unemployed people and providing unemployed people with work experience;

- the provision of financial assistance, technical assistance, business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help:

  (a) in setting up their own businesses; or

  (b) to existing businesses;

- the creation of training and employment opportunities by the provision of workspace, buildings and/or land for use on favourable terms;

- the provision of housing for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing;

- the maintenance, improvement or provision of public amenities, including the provision of routeways such as footpaths and cycleways and access to main transport routes;

- the preservation of buildings or sites of historic or architectural importance;

- the provision or assistance in the provision of recreational facilities for the public at large and/or those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities;

- the protection or conservation of the environment, including the reclamation of derelict land for use as open space;

- the provision of public health facilities and childcare, including the provision of schemes to promote healthier lifestyles and crèche facilities to increase the ability of parents to take up employment;

- the promotion of public safety and prevention of crime, including the alleviation of anti-social behaviour;

- such other means as may from time to time be determined subject to the prior written consent of the Charity Commissioners for England and Wales.

To promote sustainable development for the benefit of the public within the Area by:

- the preservation, conservation and the protection of the environment and the prudent use of resources;

- the relief of poverty and the improvement of the conditions of life in socially and disadvantaged communities;

- the promotion of sustainable means of achieving economic growth and regeneration.

To advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large.

Sustainable development in this Article and in Article 1 above means "development which meets the needs of the present without compromising the ability of future generations to meet their own needs".

To promote the efficiency and effectiveness of charities within the Area in the direct furtherance of their objects (or any one of them) by the provision of information, advice and assistance in the establishment, administration and management of such charities including assistance of all types in connection with the raising and distribution of funds.

To promote the efficiency and effectiveness of the voluntary sector for the benefit of the public by the provision of information, support and advice to local community-based groups anywhere in the Area.

Groundwork Caerphilly's trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the organisation's objectives and planning future activities. In particular, the trustees consider how planned activities will contribute to the charitable objectives set out above. Further details about the impact of Groundwork UK's activities during the year can be found on the following pages.

Our work is designed to address the needs of all sections of the community and we provide equal access to our services regardless of race, gender, disability or sexual orientation.

For further details about our work visit **www.groundwork.org.uk**

Strategic report for the year ended 31 March 2023

The Board of Trustees presents its report for the year ended 31 March 2023. This includes statements about our organisation (page 2), its objectives and its governance (page 3), our financial and operational review for the year (pages 7-9), our plans for the future (pages 6-7) and details of our trustees, senior staff and advisers (pages 31-32).

1. Performance overview

2022/23 has been a challenging year for Groundwork Caerphilly.

The majority of activities set out in our business plan for the year have been progressed.

Levels of income generated for the year were up by £11K as a result of recovering from a challenging operating environment with the ongoing pandemic.

Activity highlights

Groundwork continues to deliver a rich variety of local projects, programmes and services that are transforming lives in local communities and helping more people get involved in taking action to improve their personal circumstances and the quality of life in their area.

Last year we sourced £384,872 of funding or enterprising income to support our mission.

During the year we commenced refurbishment works to the building which is listed at Grade II. A full slate roof refurbishment together with additional flat roof and other cosmetic improvements have been necessary in order to bring the building up to the required standard as well as seal water ingress issues.

2. Our plans for the future

In order to ensure Groundwork Caerphilly's activities are fully aligned with the needs and expectations of our wider federation, our forward plans are clearly and explicitly driven by Groundwork's collectively agreed strategy. This can be summarised as follows:

'Groundwork 2023', details how we will support communities to combat the climate and nature emergency, improve their health and wellbeing and gain access to learning and work opportunities.

Groundwork 2023 sets out the charity's ambition to become a significant, radical, national force for driving change in attitudes, behaviours, places and prospects in the local communities that need it most. The strategy commits Groundwork to achieving the following by 2023:

- Mobilise 75,000 days of voluntary action to combat the climate and nature emergency
- Connect 50,000 people with their community and nature to improve wellbeing
- Support 20,000 people into accessing learning and work

Groundwork Caerphilly will continue to run Ty Mynyddislwyn Environment Centre to provide facilities for local communities as well as Groundwork Wales programmes, to improve and strengthen our provision of community development, physical activity, environmental regeneration, employability and volunteering programmes. We will do this by the selling on of reusable furniture to customers in need and delivering contracts to Caerphilly County Borough Council and developing new contracts with other Local Authorities.

3. Financial performance

Groundwork Caerphilly net incoming resources for 2022/23 totalled £5,269 (compared to £70,604 in 2021/22), with an unrestricted surplus of £24,250.

Our long-term financial strategy has two clear and linked strands as follows:

- to manage our overhead costs to ensure discretionary spending is focused on supporting front line delivery and generating more income while maintaining the capacity we need to operate effectively and safely.
- to achieve an operating surplus so that we can hold a level of reserves sufficient to sustain our charitable operations and strengthen our balance sheet to support commercial services and manage the risk of outcome-based funding arrangements.

3.1 Reserves

In line with this financial strategy, our trustees have agreed that we should aim to hold 3 months operating costs (circa £82K) in liquid reserves. We believe this is appropriate for the following reasons:

- to absorb short term setbacks such as loss or delays in funding
- to provide the working capital required to finance retrospective 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 Groundwork
- to cover the cost of developing new services, such as improved communications, research and quality and business information systems
- to set aside funds for capital assets such as ICT equipment
- to provide funding to cover any unforeseen downturn in activity, allowing alternative activity to be generated and/or a planned down-sizing of our staff team.

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

- the need to be seen as a responsible charity by the Charity Commission, our partners and funders, our member Trusts within Groundwork and the communities we serve
- the need to avoid the creation or retention of unnecessary surpluses for which there is no future planned requirement or that bear no relation to our charitable aims.

Unrestricted reserves, excluding designated reserves, are in surplus by £70,855 (2022: £33,508) with restricted funds of £170,086 (2022: £189,067). Designated funds of £69,703 will be spent for future maintenance costs to the Ty Mynyddislwyn premises.

Restricted funds can only be used in accordance with agreements reached with funders relating to programmes of work and therefore do not form part of the general reserves that are under the control of the trustees. These funds at the year- end relate to fixed assets acquired in previous years, which are being depreciated over their useful life. The future movements on any such restricted funds reflect the long-term nature of Groundwork Caerphilly's programme activity and in no way reflects on the organisation's financial efficiency or performance.

3.2 Investments

The majority of the grant funds obtained by Groundwork Caerphilly are provided against specified projects for particular needs and are therefore of a restricted nature.

We do not invest monies.

3.3 Principal funding sources

Our major sources of funding during the last year are set out below.

- Income through charitable trading:
    - The selling on of reusable furniture to customers in need
    - The rental of facilities at Ty Mynyddislwyn Environment Centre
    - The delivery of contracts under SLA with Caerphilly Council for the collection of bulky household waste and white goods
    - The delivery of contracts for battery collections
- Public sector funding - £34,218 (£87,299 in 2022)
    - Caerphilly County Borough Council SLAs
    - Community Facilities Programme
- Charitable Donations

3.4 Expenditure on charitable objectives

In line with the objectives set in our Groundwork 2020 strategy and the Groundwork Caerphilly business plan, our expenditure in the year was directed towards the following activities:

- The selling collection and selling on of reusable furniture to customers in need
- The rental of facilities at Ty Mynyddislwyn Environment Centre
- The delivery of contracts under SLA with Caerphilly Council for the collection of bulky household waste and white goods
- The delivery of contracts for battery collections
- Operation of Groundwork Wales' office base from Ty Mynyddislwyn

3.5 Key Performance Indicators

Data against a number of key performance indicators is presented to our trustees on a quarterly basis to measure our success in profile raising, income generation, programme management and continual improvement. These KPIs are tracked on a rolling basis and compared to target levels of performance outlined in our annual business plan.

Monthly management accounts track progress against our financial targets and reforecasts to the year-end are made quarterly. A key performance indicator is the amount of income secured as a percentage of forecast salaries and operating costs. This informs year-end forecasts based on prior years' experience.

3.6 Sustainable Development Report

Groundwork's charitable mission is to promote sustainable development – helping communities and individuals develop the understanding and capability to take action and make choices that deliver social equity and economic prosperity while recognising the need to live within the earth's finite natural resources. In order to have credibility as an organisation we need to demonstrate that the principles of sustainable development underpin the way we go about our work. Our sustainable development policy commits us to reporting on how these principles are integral to the way we plan and manage our operations, support our employees and utilise our resources.

3.7 Principal risks and uncertainties

Our board of trustees understands 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.

Within our Group, Trustees regularly review the development and operation of our risk management process and receive quarterly updates on actions put in place to mitigate the most significant ongoing risks. Risks are identified by our staff teams and reviewed on a regular basis by our management team.

The major areas of potential risk, for which we have active mitigation strategies in place, are as follows:

- Slow recovery in financial climate, inability to secure income and threat to bottom line and business viability
- Increased competition / Diminishing Grant funds
- Lower Business Viability/Pressure on reserves - Significant reduction in core funding WG, Significant reduction in funding Local Authorities

Groundwork Caerphilly 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 organisation, and that these processes are used to help identify at an early stage issues that affect performance or the achievement of our purpose.

However, trustees also recognise that our process can only seek to manage rather than eliminate risk, and that it should therefore be only one of the tools that the Board uses to provide effective control and management of the administration of the charity.

3.8 Financial instruments

Groundwork Caerphilly's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. Our policy is to finance fixed assets and working capital through retained reserves.

4 Statement of trustees' responsibilities

The trustees, who are also the directors of Groundwork Caerphilly for the purposes of company law, are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees 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 charity and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Signed on behalf of the Board of trustees

Jeff Greenidge
Chairman

Date: 16/4/2023

Independent Auditor's Report to members of Groundwork Caerphilly

Opinion

We have audited the financial statements of Groundwork Caerphilly ("the Charitable Company") for the year 31 March 2023 ended which comprise the statement of financial activities, the balance sheet, the cash flow statement 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 Charitable Company's affairs as at 31 March 2023 and of the incoming resources and application of resources 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Charitable Company in accordance with the ethical requirements 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.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given the financial states is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees
As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 trustees determine is 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an auditor's report 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 is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non- compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Servic

Azets Audit Services
Chartered Accountants and Statutory Auditors
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff CF23 8AB

Date: 23-11-2023 2023

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

Groundwork Caerphilly

Statement of financial activities for the year ended 31 March 2023
Including Income and Expenditure Accounts

	Note	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total £	2022 Total As restated £
Income From:					
Donations	2	30,545	-	30,545	88,931
Charitable activities	3	344,910	9,130	354,040	283,699
Other trading activities	4	287	-	287	984
TOTAL		375,742	9,130	384,872	373,614
Expenditure on:					
Charitable activities	5	351,492	28,111	379,603	303,010
TOTAL		351,492	28,111	379,603	303,010
Net movement in funds	8	24,250	(18,981)	5,269	70,604
Reconciliation of funds					
Fund balances brought forward	16	116,308	189,067	305,375	234,771
Fund balances carried forward	15,16	140,558	170,086	310,644	305,375

Incoming resources and resources expended derive from continuing operations.

The company has no other recognised gains or losses other than those passing through the statement of financial activities.

The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies Act 2006.

The notes on pages 17 to 33 form part of these financial statements.

Groundwork Caerphilly

Balance sheet at 31 March 2023

Company number 02501792	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	9		1,281		2,678
Tangible assets	10		169,012		186,389
Investments	11		100		100
			170,393		189,167
Current assets					
Stock	12	9,032		11,090	
Debtors	13	15,997		14,103	
Cash at bank		489,446		292,868	
		514,475		318,061	
Creditors: amounts falling due within one year	14	(374,224)		(201,853)	
Net current assets			140,251		116,208
Net assets			310,644		305,375
Reserves					
Unrestricted funds:					
General Funds	17	70,855		33,508	
Designated funds	17	69,703		82,800	
Total Unrestricted funds	17		140,558		116,308
Restricted funds	17		170,086		189,067
			310,644		305,375

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved by the Board of trustees and authorised for issue on 16/11/2023 2023 and were signed on its behalf by:

Jeff Greenidge
Chairman
The notes pages 17 to 33 form part of these financial statements.

Groundwork Caerphilly

Cash flow statement for the year ended 31 March 2023

	Note	2022/23 £	2021/22 £
Cash flow from operating activities			
Net cash provided by operating activities	19	196,786	33,598
Cash flows from investing activities			
Proceeds from disposal of fixed assets		-	4,667
Purchase of property, plant and equipment		(208)	-
Net cash provided by investment activities		208	4,667
Change in cash and cash equivalents in the reporting period		196,578	38,265
Cash and cash equivalents at the beginning of the reporting period		292,868	254,603
Cash and cash equivalents at the end of the reporting period		489,446	292,868

The notes pages 17 to 33 form part of these financial statements.

1 Charity information

Groundwork Caerphilly is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is Mynyddislwyn Offices, Bryn Road, Pontllanfraith, Blackwood, Gwent, NP12 2BH.

Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of preparation
The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Rounding
Figures contained in the financial statements have been rounded to the nearest pound.

Presentation of the accounts on a going concern basis
The charity reported a net unrestricted inflow of £24,250 for the year. Trustees are monitoring results on a frequent basis. The trustees are of the view that with the support of the parent charity, the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

Fund accounting
Unrestricted funds are available for use at the discretion of the trustees in furtherance of the trust's general objectives.

Restricted funds are funds subject to specific restrictive conditions imposed by the terms of the grant or funding body.

Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Incoming resources
Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income and grants are included in incoming resources when receivable, except as follows: -

- When donors specify that the grants must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- When donors specify that grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Allocation of expenditure
Expenditure incurred by the charity in the year has been split between restricted and unrestricted funds. Costs have been analysed between direct charitable expenditure, fundraising and publicity and the administration and management of the charity. Expenditure relating directly to a cost category has been charged to that account. Expenditure, which includes more than one cost category, has been apportioned on a reasonable, justifiable and consistent basis to the categories involved. Committed expenditure that has yet to be invoiced is, in line with best accounting practice, not recognised in these accounts. It is intended that such expenditure will be funded by future income flows.

Charitable activities
This includes all expenditure directly related to the aims of the charity as follows:

- To promote the conservation, protection and improvement of the physical and natural environment.
- To provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living, working and visiting in the area.
- To advance public education in environmental matters and in the ways of better conserving, protecting and improving the environment.

Governance costs
These costs include the costs of governance arrangements, which relate to the general running of Groundwork Caerphilly as opposed to the direct management functions inherent in generating funds, service delivery and programme of project work. These include such items as external audit, legal advice for trustees and costs associated with constitutional and statutory requirements.

Resources expended
Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure has been allocated to management and administration of the trust, where it relates to the management of the trust's assets, organisational administration and compliance with constitutional and statutory requirements.

Resources expended are recognised in the period in which they are incurred.

Intangible assets
Intangible assets are capitalised at cost and amortised over its expected useful life. The amortisation rate used is 20% on cost.

Tangible fixed assets
Fixed assets are capitalised at cost. Depreciation is calculated so that the cost of tangible assets or valuation less any residual value is written off over their estimated useful lives on the following basis: -

Computers	33.33% on cost
Office equipment	20% on cost
Plant and machinery	20% on cost
Buildings	2.5% on cost
Land	0% on cost

Investments
Investments relate to 100% of the share capital of the charity's wholly owned trading subsidiary and are recognised at cost less provision for impairment.

Stocks
Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price after taking into account all further costs and excess stocks that are slow moving.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments
Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Employee Benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pensions
The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against both restricted and unrestricted funds.

Taxation
As a registered charity, Groundwork Caerphilly is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

Capital grants received

Grants that relate to capital expenditure on specific projects are treated as restricted funds that are charged to the income and expenditure account at acquisition. This treatment is due to the nature of the funding as the grants are received to provide equipment to specifically run the projects and services.

Operating lease costs
The rentals under operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged against profit as incurred.

Critical accounting estimates and judgements

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Prior Period Adjustment

The following prior period adjustments have been made:
DR Expenditure £13,277
CR Income £13,277
The adjustment relates to reclassification of recharged costs. The analysis between direct costs and support costs have also been adjusted.

The adjustments have not impacted the results for the prior year or the overall reserves balance at the year end.

2 Incoming resources

	2023 Unrestricted £	2023 Restricted £	2023 Total £	2022 Total £
Donations	30,545	-	30,545	88,931
	30,545	-	30,545	88,931

3 Incoming resources

Incoming resources from charitable activities provided by:

	2023 Unrestricted £	2023 Restricted £	2023 Total £	2022 Total £ As restated
Grants	34,218	9,130	43,348	30,368
Environment Centre	61,664	-	61,664	49,067
Furniture revival	249,028	-	249,028	204,264
	344,910	9,130	354,040	283,699

Included within grants is government grants totalling £34,218 (2022 £26,665).

4 Incoming resources

Incoming resources from other trading activities:

	2023 Unrestricted £	2023 Restricted £	2023 Total £	2022 Total £
Other income	287	-	287	984
	287	-	287	984

5 Charitable activities

Expenditure on charitable activities:

	2023 Total £	2022 Total £ As restated
Direct costs		
Staff costs	148,184	147,477
Administration and sundry	446	1,286
Volunteer costs	1,091	713
Communications & IT	2,955	696
Material & direct purchases	44,036	49,730
Motor Travel and expenses	241	200
Subcontractors & consultancy	200	-
Premises expenses	74,240	7,786
Project travel and transport	16,636	28,013
Project publicity	84	703
Depreciation	17,106	17,308
Training & recruitment	1,314	-
Recharged premises costs	22,828	13,277
	329,361	267,189

	2023 Total £	2022 Total £ As restated
Support costs		
Premises expenses	6,178	5,758
Communications & IT	830	656
Administration & sundry	637	351
Staff costs	27,781	22,052
Governance	14,816	7,004
	50,242	35,821

Analysed between:	2023 £	2022 £
Unrestricted	351,492	275,460
Restricted	28,111	27,550
	379,603	303,010

6 Employees

The average monthly number of employees during the year was as follows.

	2023	2022
Direct charitable	8	10
	8	10

The full time equivalent number of employees was 6 (2022: 6).

The aggregated cost of these persons was as follows.

	2023 £	2022 £
Wages and salaries	122,742	136,579
Social security costs	8,610	6,099
Pension costs	5,891	4,770
Other staff related costs	38,722	22,082
	175,965	169,530

No employees received total benefits of more than £60,000.

Key management personnel
The key senior management personnel of the charity is the Chief Executive Officer. The Chief Executive Officer is employed by Groundwork Wales, the parent company.

7 Transactions with trustees

No trustees received any remuneration for services performed on behalf of the charity (2022: none).

No trustee expenses were paid during the current and previous year.

8 Net incoming resources

	2023 £	2022 £
Net incoming resources for the year is stated after charging:		
Auditor's remuneration:		
Audit	4,980	3,348
Depreciation of owned fixed assets	17,585	15,996
Amortisation of intangible assets	1,397	1,398

9 Intangible fixed assets

	£
Cost	
At 1 April 2022	6,988
At 31 March 2023	6,988
Amortisation	
At 1 April 2022	4,310
Additions	1,397
At 31 March 2023	5,707
Net book value	
At 31 March 2023	1,281
At 31 March 2022	2,678

10 Tangible assets

	Plant and machinery	Motor vehicles	Freehold Land & Buildings	Total
	£	£	£	£
Cost or Valuation				
At 1 April 2022	630	70,081	150,000	220,711
Additions	208	-	-	208
Disposals	-	(1,750)	-	(1,750)
At 31 March 2023	838	68,331	150,000	219,169
Depreciation				
At 1 April 2022	26	13,671	20,625	34,322
Charged for the year	352	15,358	1,875	17,585
Disposals	-	(1,750)	-	(1,750)
At 31 March 2023	378	27,279	22,500	50,157
Net book value				
At 31 March 2023	460	41,052	127,500	169,012
At 31 March 2022	604	56,410	129,375	186,389

11. Investments

The investment relates to the charity's dormant subsidiary undertaking G C Enterprises (Wales) Limited, company registration no 06296414 with a share capital of £100. The trading subsidiary is wholly owned by the charity.

The registered office is Mynyddislwyn Offices, Bryn Road, Pontllanfraith, Blackwood, Gwent, NP12 2BH

12 Stock

	2023 £	2022 £
Finished goods and goods for resale	9,032	11,090
	9,032	11,090

13 Debtors

	2023 £	2022 £
Trade debtors	3,415	9,701
Prepayments and Accrued Income	7,758	4,402
VAT	4,824	-
	15,997	14,103

14 Creditors

	2023 £	2022 £
Trade Creditors	44,979	5,048
Amount due to group entities	301,110	164,697
Accruals & Deferred Income	28,034	30,524
Other creditors	101	-
VAT	-	1,584
	374,224	201,853

15 Deferred income

Contained in the accruals and deferred balance above is deferred income in relation to performance related grants which relates to the 2023/24 financial year.

	2023 £	2022 £
Balance as at 1 April 2022	-	-
Income received in the year	2,995	-
Released to income	-	-
Balance as at 31 March 2023	2,995	-

16 Analysis of net assets at 31 March 2023

	Unrestricted funds £	Restricted funds £	Total £
Intangible & Tangible fixed assets	207	170,086	170,293
Investments	100	-	100
Net current assets	140,251	-	140,251
	140,558	170,086	310,644

Analysis of net assets at 31 March 2022

	Unrestricted funds £	Restricted funds £	Total £
Intangible & Tangible fixed assets	-	189,067	189,067
Investments	100	-	100
Net current assets	116,208	-	116,208
	116,308	189,067	305,375

17 Statement of funds

Unrestricted funds

	Designated fund £	General fund £	Total £
At 1 April 2022	82,800	33,508	116,308
Incoming resources	-	375,742	375,742
Resources expended	(43,097)	(308,395)	(351,492)
Transfers	30,000	(30,000)	-
At 31 March 2023	69,703	70,855	140,558
			As restated
At 1 April 2021	65,000	18,314	83,314
Incoming resources	-	308,454	308,454
Resources expended	(14,200)	(261,260)	(275,460)
Transfers	32,000	(32,000)	-
At 31 March 2022	82,800	33,508	116,308

The income funds of the company included the following designated funds which have been set aside out of unrestricted funds by the Trustees in respect of providing for future building maintenance.

Designated funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Building maintenance costs	82,800	-	(43,097)	30,000	69,703
At 31 March 2023	82,800	-	(43,097)	30,000	69,703

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Building maintenance costs	65,000	-	(14,200)	32,000	82,800
At 31 March 2022	65,000	-	(14,200)	32,000	82,800

17 Statement of funds (continued)

Restricted funds

Restricted funds comprise performance related grants as follows.

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Ty Mynyddislwyn Environment Centre	129,375	-	(1,875)	127,500
Garfield Weston	9,031	-	(6,600)	2,431
Windpower Community Fund	372	-	(200)	172
Circular Economy Fund	50,289	-	(10,306)	39,983
Pen Bryn Oer	-	4,816	(4,816)	-
Cwtsh	-	4,314	(4,314)	-
At 31 March 2023	**189,067**	**9,130**	(28,111)	**170,086**

Ty Mynyddislwyn Environment Centre - This represents funding provided to purchase the property under the capital asset transfer scheme. The depreciation cost is shown in resources expended.

Garfield Weston – grant funding provided for capital. The depreciation cost is shown in resources expended.

Windpower Community Fund – grant funding provided for capital. The depreciation cost is shown in resources expended.

Circular Economy Fund – The fund was open to local authorities to help Wales Shift towards a circular economy driving further increases in recycling and decarbonisation. In 2021/22, this included the donation of two vehicles to the charity. The depreciation cost is shown in resources expended.

Pen Bryn Oer – The funding was received to support community groups who offer vital services.

Cwtsh – The funding was received to support The Furniture Revival in Rhymney.

17 Statement of funds (continued)

Previous Year

Restricted funds comprise performance related grants as follows.

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Ty Mynyddislwyn Environment Centre	131,250	-	(1,875)	129,375
Garfield Weston Windpower Community Fund	572	-	(200)	372
Job Retention Scheme	-	8,229	(8,229)	-
GrantScape	776	-	(776)	-
Circular Economy Fund	-	56,931	(6,642)	50,289
At 31 March 2022	**151,457**	**65,160**	**(27,550)**	**189,067**

18 Related party transactions

During the year ended 31 March 2023, the charity's parent company, Groundwork Wales, donated £30,000 to the charity (2022: £32,000).

As at 31 March 2023, the charity owed Groundwork Wales £301,110 (2022: £164,697).

During the year the charity recharged £22,828 (2022: £13,277) for the running costs of Ty Mynyddislwyn to Groundwork Wales who use the building as head office and £1,576 for salary costs.

During the year the charity was recharged £38,722 (2022: £22,082) by Groundwork Wales for salary costs.

The charitable company's trading subsidiary, GC Enterprises (Wales), is now a dormant company, therefore no transactions occurred during the current or previous year.

19 Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the reporting period (as per the SOFA)	5,269	70,604
Adjusted for:		
Dividends, interest and rents from investments	-	-
Depreciation & amortisation charge	18,982	17,394
Gifted non-cash donations	-	(56,931)
Loss from sale of fixed assets	-	5,628
(Increase)/decrease in stocks	2,058	(2,373)
(Increase)/decrease in debtors	(1,894)	40,905
Increase/(decrease) in creditors	172,371	(41,629)
Net cash provided by operating activities	196,786	33,598

	2023 £	2022 £
Cash in hand	489,446	292,870
Total cash and cash equivalents	489,446	292,870

20 Ultimate Controlling Party

Groundwork Wales is the charity's parent company and is the ultimate controlling party. Its purpose is to build sustainable communities in areas of need through joint environmental action. Groundwork Wales is the sole member of Groundwork Caerphilly; its company registration number is 03577896 and its charity registration number is 1096662. Its registered office is Ty Mynyddislwyn Offices Bryn Road, Pontllanfraith, Blackwood, Gwent, NP12 2PH. The charity's accounts are included within the consolidated accounts of Groundwork Wales which can be obtained from its registered office.

21 Company Limited by Guarantee

The company is limited by guarantee whereby the liability of each member/director is limited to £1.

Groundwork Caerphilly

Comparative Statement of financial activities for the year ended 31 March 2022
Including Income and Expenditure Accounts

	2022 Unrestricted funds	2022 Restricted funds	2022 Total As restated
	£	£	£
Income From:			
Donations	32,000	56,931	88,931
Charitable activities	275,470	8,229	283,699
Other trading activities	984	-	984
TOTAL	308,454	65,160	373,614
Expenditure on:			
Charitable activities	275,460	27,550	303,010
TOTAL	275,460	27,550	303,010
Net movement in funds	32,994	37,610	70,604
Reconciliation of funds			
Fund balances brought forward	83,314	151,457	234,771
Fund balances carried forward	116,308	189,067	305,375

Advisors

Auditors

Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Bankers

HSBC
91 High Street
Blackwood
NP12 1PN

The Board of Trustees

The trustees (who are the directors of the company in accordance with the Companies Act 2006) on the date of approval of this report, or who served as trustees at any time during the year reported on, are as follows.

Appointed trustees	First appointed	Last appointed	Retired/resigned
Councillor C Mann	18 July 2012		
Mr P Fiander	17 September 2019		
Mr J Greenidge	17 September 2019		
Mr D Havard	17 September 2019		27 May 2022
Ms K Heenan-Davies	17 September 2019		11 November 2022
Ms N Rees	17 September 2019		

Chair
Mr J Greenidge

Chief Executive
Ms K Stevenson

GROUNDWORK CAERPHILLY

England & Wales - Charity number 1006811

Accounts

CHANGING PLACES
CHANGING LIVES

Groundwork Caerphilly

Annual Report and
Financial Statements 2021/22

Groundwork Caerphilly

Charity registration no. 1006811
Company registration no. 2501792

Registered office
Ty Mynyddislwyn Offices, Bryn Road, Pontllanfraith, Blackwood, Gwent NP12 2BH

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About Groundwork Caerphilly

Groundwork Caerphilly is a charity, working within the federation of Groundwork Trusts, locally and nationally to transform lives in the UK's most disadvantaged communities.

We're passionate about creating a future where every neighbourhood is vibrant and green, every community is strong and able to shape its own destiny and no-one is held back by their background or circumstances.

We help people gain confidence and skills, get into training and work, protect and improve green spaces, lead more active lives and overcome significant challenges such as poverty, isolation, low skills and poor health.

Groundwork Caerphilly is registered as a company and charity. This report outlines the activity, priorities and financial position of Groundwork. More information on our work can be found in our Impact Report and on our website.

Chairman's statement

When I think back on the past year, the difficulties presented by the COVID-19 pandemic and its effects on the people in our communities who were already dealing with a challenging social and economic environment, I am pleased by the tenacity of the Groundwork Caerphilly team in the face of that great adversity and by our flexibility in operating inside the COVID-19 framework.

I am impressed by how swiftly the team adopted hybrid working models and successfully restored delivery performance and an excellent level of support for our communities.

There is a lot of latent talent in some of our most underprivileged communities and the implementation of our Green Enterprise solutions is assisting individuals in realising their full potential through a variety of work-based projects such as Furniture Revival. Our green enterprise initiatives aim explicitly to counterbalance the negative effects on people's health, wealth, and wellbeing brought about by the cycle of poverty in some of our communities.

The highlights this year have been:

- Two new Luton Transit vans gifted to the Furniture Revival from Caerphilly County Borough Council through the Circular Economy Fund.
- The refurbishment of the Furniture Revival Building.
- The Furniture Revival was accepted as a member of Repair Café Wales.
- New tenancies secured in the Environment Centre.
- New boilers installed at the Ty Mynyddislwyn Environment Centre.

I would like to thank the loyal and dedicated staff in Groundwork Caerphilly who are the foundation of our continuing success. The resilience and success of Groundwork Caerphilly lies in our capacity to not only function in difficult circumstances but also to constantly adapt whilst always being conscious of the welfare of our staff and of our customer base.

Jeff Greenidge

Governance

Registration numbers

Charity registration no. 1006811
Company registration no. 2501792

Structure

Groundwork Caerphilly's governing documents are its Memorandum and Articles of Association, which were last amended by written resolution in 2012.

Board of trustees

The board of trustees sit in accordance with the Charities Act 2011 and they are also the directors of the company in accordance with the Companies Act 2006. The majority of our trustees are co-opted, with one nominated member from Caerphilly council. We seek a broad skills base on our board of trustees to enable us to benefit from specialist expertise and networks.

We take our governance responsibilities very seriously, recognising the need to ensure as much of our resource as possible is expended on delivering our charitable mission while ensuring our organisation is strong, well-managed and financially viable in the long term.

New trustees are provided with an induction to the organisation, which includes a specific focus on their role and responsibilities.

Trustees are responsible for ensuring sound organisational systems, processes and policies are maintained and embedded in the way Groundwork UK is managed. This includes policies governing our fundraising standards, our investments and our responsibilities to our staff, volunteers and beneficiaries. We pay particular attention to issues of health and safety, safeguarding, data protection and information security, each of which has a champion on our board, and maintains comprehensive business continuity arrangements. We undertake a regular skills audit of our board to ensure we have access to the expertise needed to run our organisation efficiently, effectively and safely.

Groundwork Wales' Management Team is led by the Chief Executive and includes senior staff members responsible for financial and business management, business development, communications and fundraising and programme management. Groundwork Wales management team manage Groundwork Caerphilly. This team is fully accountable to the Board and its Committees. It operates through delegated powers outlined in our financial regulations and provides regular reports on financial and operational performance and risk management.

Related party transactions

Each Groundwork Trust is an independent charity with similar aim. We operate within a group structure and Groundwork Caerphilly is a wholly owned subsidiary. Each Trust is therefore responsible for its own management and administration, and for developing and delivering projects that meet its objectives and core purposes. The appointed trustees of Groundwork Wales are also trustees of Groundwork Caerphilly. Groundwork Caerphilly is a related party to Groundwork Wales.

Groundwork Caerphilly has considered the other disclosure requirements of the SORP and believes that there are no other related party transactions.

Our commitments

Everything Groundwork Caerphilly does is underpinned by a set of values, which inform the way we work and behave. We are environmentally aware and focused on communities in need. We are collaborative, show integrity and strive for quality in everything we do. Our decisions, actions and operations are also guided by our sustainable development policy, which sets out how we aim to contribute to creating a strong and just society living within environmental limits.

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes".

All of our fundraising is managed internally and we do not employ commercial participators or professional third-party fundraisers. The day to day management of all income generation activity is delegated to the senior management team, who are accountable to the trustees.

Groundwork Caerphilly is not required to be bound by any regulatory scheme.

As a charity dedicated to supporting people who may be vulnerable we are committed to ensuring our operations are delivered safely and to the highest ethical standards. We have a Groundwork-wide commitment to effective safeguarding and aim to meet best practice standards in terms of management, governance and transparent reporting.

Objectives and public benefit

Groundwork Caerphilly's charitable objectives are set down in its Memorandum of Association and date from the interpretation of charitable activities when they were drafted, as amended at annual general meetings and by written resolution in 2012. They commit Groundwork Caerphilly to delivering and promoting regeneration and sustainable development as follows.

To promote the conservation, protection and improvement of the physical and natural environment in the County Boroughs of Caerphilly and other South Wales Local Authority areas including Torfaen, Newport and Monmouthshire.

To provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting to the Area.

To advance public education in environmental matters and of the ways of better conserving, protecting and improving the same wheresoever.

To promote for the public benefit, urban or rural regeneration in areas of social and economic deprivation within the Area by all or any of the following means:

- the relief of poverty in such ways as may be thought fit;
- the relief of unemployment in such ways as may be thought fit including assistance to find employment;
- the advancement of education, training or re-training particularly amongst unemployed people and providing unemployed people with work experience;

- the provision of financial assistance, technical assistance, business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help:

  (a) in setting up their own businesses; or

  (b) to existing businesses;

  the creation of training and employment opportunities by the provision of work space, buildings and/or land for use on favourable terms;

  the provision of housing for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing;

  the maintenance, improvement or provision of public amenities, including the provision of routeways such as footpaths and cycleways and access to main transport routes;

  the preservation of buildings or sites of historic or architectural importance;

  the provision or assistance in the provision of recreational facilities for the public at large and/or those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities;

  the protection or conservation of the environment, including the reclamation of derelict land for use as open space;

  the provision of public health facilities and childcare, including the provision of schemes to promote healthier lifestyles and crèche facilities to increase the ability of parents to take up employment;

  the promotion of public safety and prevention of crime, including the alleviation of anti-social behaviour;

  such other means as may from time to time be determined subject to the prior written consent of the Charity Commissioners for England and Wales.

To promote sustainable development for the benefit of the public within the Area by:

- the preservation, conservation and the protection of the environment and the prudent use of resources;
- the relief of poverty and the improvement of the conditions of life in socially and disadvantaged communities;
- the promotion of sustainable means of achieving economic growth and regeneration.

To advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large.

Sustainable development in this Article and in Article 1 above means "development which meets the needs of the present without compromising the ability of future generations to meet their own needs".

To promote the efficiency and effectiveness of charities within the Area in the direct furtherance of their objects (or any one of them) by the provision of information, advice and assistance in the establishment, administration and management of such charities including assistance of all types in connection with the raising and distribution of funds.

To promote the efficiency and effectiveness of the voluntary sector for the benefit of the public by the provision of information, support and advice to local community based groups anywhere in the Area[i].

Groundwork Caerphilly's trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the organisation's objectives and planning future activities. In particular, the trustees consider how planned activities will contribute to the charitable objectives set out above. Further details about the impact of Groundwork UK's activities during the year can be found on the following pages.

Our work is designed to address the needs of all sections of the community and we provide equal access to our services regardless of race, gender, disability or sexual orientation.

For further details about our work visit **www.groundwork.org.uk**

Strategic report for the year ended 31 March 2022

The Board of Trustees presents its report for the year ended 31 March 2022. This includes statements about our organisation (page 2), its objectives and its governance (page 3), our financial and operational review for the year (pages 7-10), our plans for the future (pages 6-7) and details of our trustees, senior staff and advisers (pages 31-32).

1. Performance overview

2021/22 has been a challenging year for Groundwork Caerphilly.

The majority of activities set out in our business plan for the year have been progressed.

Levels of income generated for the year were up by £47.5k as a result of recovering from a challenging operating environment with the ongoing pandemic.

Activity highlights

Groundwork continues to deliver a rich variety of local projects, programmes and services that are transforming lives in local communities and helping more people get involved in taking action to improve their personal circumstances and the quality of life in their area.

Last year we sourced £360,337 of funding or enterprising income to support our mission.

2. Our plans for the future

In order to ensure Groundwork Caerphilly's activities are fully aligned with the needs and expectations of our wider federation, our forward plans are clearly and explicitly driven by Groundwork's collectively agreed strategy. This can be summarised as follows.

'Groundwork 2023', details how we will support communities to combat the climate and nature emergency, improve their health and wellbeing and gain access to learning and work opportunities.

Groundwork 2023 sets out the charity's ambition to become a significant, radical, national force for driving change in attitudes, behaviours, places and prospects in the local communities that need it most. The strategy commits Groundwork to achieving the following by 2023:

- Mobilise 75,000 days of voluntary action to combat the climate and nature emergency
- Connect 50,000 people with their community and nature to improve wellbeing
- Support 20,000 people into accessing learning and work

Groundwork Caerphilly will continue to run Ty Mynyddislwyn Environment Centre to provide facilities for local communities as well as Groundwork Wales programmes, to improve and strengthen our provision of community development, physical activity, environmental regeneration, employability and volunteering programmes. We will do this by the selling on of reusable furniture to customers in need and delivering contracts to Caerphilly County Borough Council and developing new contracts with other Local Authorities.

3. Financial performance

Groundwork Caerphilly net incoming resources for 2021-22 totalled £70,604 (compared to £42,375 in 2020/21), with an unrestricted surplus of £32,994.

Our long-term financial strategy has two clear and linked strands as follows:

- to manage our overhead costs to ensure discretionary spending is focused on supporting front line delivery and generating more income while maintaining the capacity we need to operate effectively and safely
- to achieve an operating surplus so that we can hold a level of reserves sufficient to sustain our charitable operations and strengthen our balance sheet to support commercial services and manage the risk of outcome-based funding arrangements.

3.1 Reserves

In line with this financial strategy, our trustees have agreed that we should aim to hold 3 months operating costs (circa £82K) in liquid reserves. We believe this is appropriate for the following reasons:

- to absorb short term setbacks such as loss or delays in funding
- to provide the working capital required to finance retrospective 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 Groundwork
- to cover the cost of developing new services, such as improved communications, research and quality and business information systems
- to set aside funds for capital assets such as ICT equipment
- to provide funding to cover any unforeseen downturn in activity, allowing alternative activity to be generated and/or a planned down-sizing of our staff team.

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

- the need to be seen as a responsible charity by the Charity Commission, our partners and funders, our member Trusts within Groundwork and the communities we serve
- the need to avoid the creation or retention of unnecessary surpluses for which there is no future planned requirement or that bear no relation to our charitable aims.

Unrestricted reserves, excluding designated reserves, are in surplus by £33,508 (2021: £18,314) with restricted funds of £189,067 (2021: £151,457). Designated funds of £82,800 will be spent for future maintenance costs to the Ty Mynyddislwyn premises.

Restricted funds can only be used in accordance with agreements reached with funders relating to programmes of work and therefore do not form part of the general reserves that are under the control of the trustees. These funds at the year- end relate to fixed assets acquired in previous years, which are being depreciated over their useful life. The future movements on any such restricted funds reflect the long-term nature of Groundwork Caerphilly's programme activity and in no way reflects on the organisation's financial efficiency or performance.

3.2 Investments

The majority of the grant funds obtained by Groundwork Caerphilly are provided against specified projects for particular needs and are therefore of a restricted nature.

We do not invest monies.

3.3 Principal funding sources

Our major sources of funding during the last year are set out below.

- Income through charitable trading:
    - The selling on of reusable furniture to customers in need
    - The rental of facilities at Ty Mynyddislwyn Environment Centre
    - The delivery of contracts under SLA with Caerphilly Council for the collection of bulky household waste and white goods
    - The delivery of contracts for battery collections
- Public sector grants and contracts - £87,299k (£138k in 2021)
    - Caerphilly County Borough Council SLAs
- Charitable Donations

3.4 Expenditure on charitable objectives

In line with the objectives set in our Groundwork 2020 strategy and the Groundwork Caerphilly business plan, our expenditure in the year was directed towards the following activities.

- The selling on of reusable furniture to customers in need
- The rental of facilities at Ty Mynyddislwyn Environment Centre
- The delivery of contracts under SLA with Caerphilly Council for the collection of bulky household waste and white goods
- The delivery of contracts for battery collections
- The delivery of contracts for the supply of market stall services

3.5 Key Performance Indicators

Data against a number of key performance indicators is presented to our trustees on a quarterly basis to measure our success in profile raising, income generation, programme management and continual improvement. These KPIs are tracked on a rolling basis and compared to target levels of performance outlined in our annual business plan.

Monthly management accounts track progress against our financial targets and reforecasts to the year-end are made quarterly. A key performance indicator is the amount of income secured as a

percentage of forecast salaries and operating costs. This informs year-end forecasts based on prior years' experience.

3.6 Sustainable Development Report

Groundwork's charitable mission is to promote sustainable development – helping communities and individuals develop the understanding and capability to take action and make choices that deliver social equity and economic prosperity while recognising the need to live within the earth's finite natural resources. In order to have credibility as an organisation we need to demonstrate that the principles of sustainable development underpin the way we go about our work. Our sustainable development policy commits us to reporting on how these principles are integral to the way we plan and manage our operations, support our employees and utilise our resources.

3.7 Principal risks and uncertainties

Our board of trustees understands 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.

Within our Group, Trustees regularly review the development and operation of our risk management process and receive quarterly updates on actions put in place to mitigate the most significant ongoing risks. Risks are identified by our staff teams and reviewed on a regular basis by our management team.

The major areas of potential risk, for which we have active mitigation strategies in place, are as follows:

- Slow recovery in financial climate, inability to secure income and threat to bottom line and business viability
- Increased competition / Diminishing Grant funds
- Lower Business Viability/Pressure on reserves - Significant reduction in core funding WG, Significant reduction in funding Local Authorities

Groundwork Caerphilly 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 organisation, and that these processes are used to help identify at an early stage issues that affect performance or the achievement of our purpose.

However, trustees also recognise that our process can only seek to manage rather than eliminate risk, and that it should therefore be only one of the tools that the Board uses to provide effective control and management of the administration of the charity.

3.8 Financial instruments

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

4 Statement of trustees' responsibilities

The trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees 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 charity and of the incoming resources and application of resources, including the income and expenditure of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information by the trustees to the auditor

Each of the trustees has confirmed that, so far as they are aware, there is no relevant audit information of which Groundwork Caerphilly's auditor is unaware, and that they have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that Groundwork Caerphilly's auditor is aware of that information.

Signed on behalf of the Board of trustees

Jeff Greenidge
Chairman

Date: 22.11.22

Independent Auditor's Report to members of Groundwork Caerphilly

Opinion

We have audited the financial statements of Groundwork Caerphilly ("the Charitable Company") for the year 31 March 2022 ended which comprise the statement of financial activities, the balance sheet, the cash flow statement 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 financiai statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31st March 2022 and of the incoming resources and application of resources 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements 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.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees report, which includes the di rectors' report and the strategic report

- prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the di rectors' report included within the trustees report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the di rectors' report included within the trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees
As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 trustees determine is 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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 is available on the Financial Reporting Council's website at: https: // www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non- compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Case FCA DChA
(Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants and Statutory Auditors
Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff CF23 8AB

Date: 15-12-2022

Groundwork Caerphilly

Statement of financial activities for the year ended 31 March 2022
Including Income and Expenditure Accounts

	Note	2022 Unrestricted funds	2022 Restricted funds	2022 Total	2021 Total
		£	£	£	£
Income From:					
Donations		32,000	56,931	88,931	37,267
Charitable activities	3	262,193	8,229	270,422	230,704
Other trading activities	4	984	-	984	19,291
Investments	2	-	-	-	5
TOTAL		295,177	65,160	360,337	287,267
Expenditure on:					
Charitable activities	5	262,183	27,550	289,733	244,892
TOTAL		262,183	27,550	289,733	244,892
Net movement in funds	8	32,994	37,610	70,604	42,375
Reconciliation of funds					
Fund balances brought forward	16	83,314	151,457	234,771	192,396
Fund balances carried forward	15,16	116,308	189,067	305,375	234,771

Incoming resources and resources expended derive from continuing operations.

The company has no other recognised gains or losses other than those passing through the statement of financial activities.

The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies Act 2006.

The notes pages 17 to 32 form part of these financial statements.

Groundwork Caerphilly

Balance sheet at 31 March 2022

Company number 02501792	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	9		2,678		4,076
Tangible assets	10		186,389		155,749
Investments	11		100		100
			189,167		159,925
Current assets					
Stock		11,090		8,717	
Debtors	12	14,103		55,008	
Cash at bank		292,868		254,603	
		318,061		318,328	
Creditors: amounts falling due within one year	13	(201,853)		(243,482)	
Net current assets			116,208		74,846
Net assets			305,375		234,771
Reserves					
Unrestricted funds:					
General Funds	16		33,508		18,314
Designated funds	16		82,800		65,000
Restricted funds	16		189,067		151,457
			305,375		234,771

These financial statements were approved by the Board of trustees and authorised for issue on 22-11- 2022 and were signed on its behalf by:

Jeff Greenidge
Chairman

The notes pages 17 to 32 form part of these financial statements.

Groundwork Caerphilly

Cash flow statement for the year ended 31 March 2022

	Note	2021/22 £	2020/21 £
Cash flow from operating activities			
Net cash provided by operating activities	18	33,598	185,991
Cash flows from investing activities			
Dividends, interest and rents from investments		-	5
Purchase of property, plant and equipment		-	(838)
Proceeds from disposal of fixed assets		4,667	-
Net cash provided by investment activities		4,667	(833)
Change in cash and cash equivalents in the reporting period		38,265	185,158
Cash and cash equivalents at the beginning of the reporting period		254,603	69,445
Cash and cash equivalents at the end of the reporting period		292,868	254,603

The notes pages 17 to 32 form part of these financial statements.

1 Charity information

Groundwork Caerphilly is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is Mynyddislwyn Offices, Bryn Road, Pontllanfraith, Blackwood, Gwent, NP12 2BH.

Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of preparation
The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Rounding
Figures contained in the financial statements have been rounded to the nearest pound.

Presentation of the accounts on a going concern basis
The charity reported a net unrestricted outflow of £32,994 for the year. Trustees are monitoring results on a frequent basis. The trustees are of the view that with the support of the parent charity, the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

Fund accounting
Unrestricted funds are available for use at the discretion of the trustees in furtherance of the trust's general objectives.

Restricted funds are funds subject to specific restrictive conditions imposed by the terms of the grant or funding body.

Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Incoming resources
Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income and grants are included in incoming resources when receivable, except as follows: -

- When donors specify that the grants must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- When donors specify that grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Allocation of expenditure
Expenditure incurred by the charity in the year has been split between restricted and unrestricted funds. Costs have been analysed between direct charitable expenditure, fundraising and publicity and the administration and management of the charity. Expenditure relating directly to a cost category has been charged to that account. Expenditure, which includes more than one cost category, has been apportioned on a reasonable, justifiable and consistent basis to the categories involved. Committed expenditure that has yet to be invoiced is, in line with best accounting practice, not recognised in these accounts. It is intended that such expenditure will be funded by future income flows.

Charitable activities
This includes all expenditure directly related to the aims of the charity as follows:

- To promote the conservation, protection and improvement of the physical and natural environment.
- To provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living, working and visiting in the area.
- To advance public education in environmental matters and in the ways of better conserving, protecting and improving the environment.

Governance costs
These costs include the costs of governance arrangements, which relate to the general running of Groundwork Caerphilly as opposed to the direct management functions inherent in generating funds, service delivery and programme of project work. These include such items as external audit, legal advice for trustees and costs associated with constitutional and statutory requirements.

Resources expended
Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure has been allocated to management and administration of the trust, where it relates to the management of the trust's assets, organisational administration and compliance with constitutional and statutory requirements.

Resources expended are recognised in the period in which they are incurred.

Intangible assets
Intangible assets are capitalised at costs and amortised over its expected useful life. The amortisation rate used is 20% on cost.

Tangible fixed assets
Fixed assets are capitalised at cost. Depreciation is calculated so that the cost of tangible assets or valuation less any residual value is written off over their estimated useful lives on the following basis: -

Computers	33.33% on cost
Office equipment	20% on cost
Plant and machinery	20% on cost
Buildings	2.5% on cost
Land	0% on cost

Investments
Investments relate to 100% of the share capital of the charity's wholly owned trading subsidiary and are recognised at cost less provision for impairment.

Stocks
Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price after taking into account all further costs and excess stocks that are slow moving.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments
Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Pensions
The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against both restricted and unrestricted funds.

Taxation
As a registered charity, Groundwork Caerphilly is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

Capital grants received

Grants that relate to capital expenditure on specific projects are treated as restricted funds that are charged to the income and expenditure account at acquisition. This treatment is due to the nature of the funding as the grants are received to provide equipment to specifically run the projects and services.

Operating lease costs
The rentals under operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged against profit as incurred.

Critical accounting estimates and judgements

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Incoming resources

	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Total £
Investments				
Bank interest	-	-	-	5
	-	-	-	5

3 Incoming resources

Incoming resources from charitable activities provided by:

	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Total £
Grants	22,139	8,229	30,368	138,552
Environment Centre	35,790	-	35,790	20,193
Furniture revival	204,264	-	204,264	71,959
	262,193	8,229	270,422	230,704

4 Incoming resources

Incoming resources from charitable activities provided by:

	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Total £
Other income	984	-	984	19,291
	984	-	984	19,291

5 Charitable activities

Expenditure on charitable activities:

	2022 Total £	2021 Total £
Direct costs		
Staff costs	141,101	139,726
Volunteer costs	713	1,159
Material & direct purchases	49,730	20,942
Subcontractors & consultancy	-	66
Project travel and transport	12,779	9,237
Project publicity	702	-
Depreciation	7,020	11,134
	212,045	182,264

	2022 Total £	2021 Total £
Support costs		
Premises expenses	13,544	24,247
Depreciation/Amortisation	10,289	1,277
Motor Travel and expenses	15,434	6,924
Communications & IT	1,329	457
Administration & sundry	1,660	7,474
Staff costs	28,428	18,099
Governance	7,004	4,150
	77,688	62,628

Analysed between:	2022 £	2021 £
Unrestricted	262,183	127,364
Restricted	27,550	117,528
	289,733	244,892

6 Employees

The average monthly number of employees during the year was as follows.

	2022	2021
Direct charitable	10	9
	10	9

The aggregated cost of these persons was as follows.

	2022 £	2021 £
Wages and salaries	158,661	148,501
Social security costs	6,099	5,223
Pension costs (see note 20)	4,770	4,100
	169,530	157,824

No employees received total benefits of more than £60,000.

Key management personnel
The key senior management personnel of the charity is the Chief Executive Officer. The Chief Executive Officer is employed by Groundwork Wales, the parent company.

7 Transactions with trustees

No trustees received any remuneration for services performed on behalf of the charity (2021: none).

No trustee expenses were paid during the current and previous year.

8 Net incoming resources

	2022 £	2021 £
Net incoming resources for the year is stated after charging:		
Auditor's remuneration:		
Audit	3,348	4,150
Depreciation of owned fixed assets	15,996	11,013
Amortisation of intangible assets	1,398	1,398

9 Intangible fixed assets

	£
Cost	
At 1 April 2021	6,988
At 31 March 2022	6,988
Amortisation	
At 1 April 2021	2,912
Additions	1,398
At 31 March 2022	4,310
Net book value	
At 31 March 2022	2,678
At 31 March 2021	4,076

10 Tangible assets

	Plant and machinery	Motor vehicles	Freehold Land & Buildings	Total
	£	£	£	£
Cost or Valuation				
At 1 April 2021	18,736	26,023	150,000	194,759
Additions	-	56,931	-	56,931
Disposals	(18,106)	(12,873)	-	(30,979)
At 31 March 2022	630	70,081	150,000	220,711
Depreciation				
At 1 April 2021	9,045	11,215	18,750	39,010
Charged for the year	3,833	10,288	1,875	15,996
Disposals	(12,852)	(7,832)	-	(20,684)
At 31 March 2022	26	13,671	20,625	34,322
Net book value				
At 31 March 2022	604	56,410	129,375	186,389
At 31 March 2021	9,691	14,808	131,250	155,749

11. Investments

The investment relates to the charity's dormant subsidiary undertaking G C Enterprises (Wales) Limited, company registration no 06296414 with a share capital of £100. The trading subsidiary is wholly owned by the charity.

The registered office is Mynyddislwyn Offices, Bryn Road, Pontllanfraith, Blackwood, Gwent, NP12 2BH

12 Debtors

	2022 £	2021 £
Trade debtors	9,701	43,649
Prepayments and Accrued Income	4,402	8,512
Other debtors	-	2,847
	14,103	55,008

13 Creditors

	2022 £	2021 £
Trade Creditors	5,048	2,395
Amount due to group entities	164,697	217,269
Accruals & Deferred Income	30,524	22,806
VAT	1,584	1,012
	201,853	243,482

14 Deferred income

Contained in the accruals and deferred balance above is deferred income in relation to performance related grants which relates to the 2021/21 financial year.

	Balance at 1 April 2021 £	Transferred from deferred income £	Balance at 31 March 2022 £
Programmes	-	-	-

Net incoming resources as shown in the Statement of Financial Activities result from the following.

	Income Received £	Transferred from deferred income £	Net incoming resources £
Unrestricted funds	-	-	-

Deferred income related to income received for programmes in the prior year with delivery in the current year.

15 Analysis of net assets at 31 March 2022

	Unrestricted funds £	Restricted funds £	Total £
Intangible & Tangible fixed assets	-	189,067	189,067
Investments	100	-	100
Net current assets	116,208	-	116,208
	116,308	189,067	305,375

Analysis of net assets at 31 March 2021

	Unrestricted funds £	Restricted funds £	Total £
Intangible & Tangible fixed assets	9,144	150,681	159,825
Investments	100	-	100
Net current assets	74,070	776	74,846
	83,314	151,457	234,771

16 Statement of funds

Unrestricted funds

	Designated fund £	General fund £	Total £
At 1 April 2021	65,000	18,314	83,314
Incoming resources	-	295,177	295,177
Resources expended	(14,200)	(247,983)	(262,183)
Transfers	32,000	(32,000)	-
At 31 March 2022	82,800	33,508	116,308
At 1 April 2020	30,000	3,040	33,040
Incoming resources	-	177,638	177,638
Resources expended	-	(127,364)	(127,364)
Transfers	35,000	(35,000)	-
At 31 March 2021	65,000	18,314	83,314

The income funds of the company included the following designated funds which have been set aside out of unrestricted funds by the Trustees in respect of providing for future building maintenance.

Designated funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Building maintenance costs	65,000	-	(14,200)	32,000	82,800
At 31 March 2022	65,000	-	(14,200)	32,000	82,800

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Building maintenance costs	30,000	-	-	35,000	65,000
At 31 March 2021	30,000	-	-	35,000	65,000

16 Statement of funds (continued)

Restricted funds

Restricted funds comprise performance related grants as follows.

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Ty Mynyddislwyn Environment Centre	131,250	-	(1,875)	129,375
Garfield Weston	18,859	-	(9,828)	9,031
Windpower Community Fund	572	-	(200)	372
Job Retention Scheme	-	8,229	(8,229)	-
GrantScape	776	-	(776)	-
Circular Economy Fund	-	56,931	(6,642)	50,289
At 31 March 2022	**151,457**	**65,160**	**(27,550)**	**189,067**

Ty Mynyddislwyn Environment Centre - This represents funding provided to purchase the property under the capital asset transfer scheme. The property is being depreciated in line with the charity's depreciation policy. Resources expended represents the depreciation charge for the year.

Garfield Weston – grant funding provided for capital expenditure and the funding is being depreciated in line with charity's depreciation policy. Resources expended represents the depreciation charge for the year.

Windpower Community Fund – grant funding provided for capital expenditure and the funding is being depreciated in line with charity's depreciation policy. Resources expended represents the depreciation charge for the year.

Job Retention Scheme – relates to government funding to support 80% of salary costs of staff furloughed during the COVID 19 pandemic.

GrantScape
Pen Bryn Oer Wind Farm provides grant up to £2,000 for projects located within Community Council areas of Rhymney and Tredegar to provide grants to support community groups who offer vital services related activities or towards improvements to community amenities.

Circular Economy Capital Fund
The fund was open to local authorities to help Wales shift towards a circular economy driving further increases in recycling and decarbonisation. In 2021/22, this included the donation of two vehicles to the charity. The expenditure in the year relates to the depreciation of those assets.

Statement of funds (continued)

16

Previous Year

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Ty Mynyddislwyn Environment Centre	133,125	-	(1,875)	131,250
Garfield Weston	25,459	-	(6,600)	18,859
Windpower Community Fund	772	-	(200)	572
Job Retention Scheme	-	67,724	(67,724)	-
GrantScape	-	2,000	(1,224)	776
Circular Economy Fund	-	39,905	(39,905)	-
At 31 March 2021	**159,356**	**109,629**	**(117,528)**	**151,457**

17 Related party transactions

As at 31 March 2022, the charity's parent charity Groundwork Wales donated £xxxx to the charity (2021: £35,000).

As at 31 March 2022, the charity owed Groundwork Wales £164,697 (2021: £217,269).

During the year the charity recharged £13,277 (2021: £36,321) for the running costs of Tymynyddislwyn to Groundwork Wales who use the building as head office..

The trading subsidiary GC Enterprises (Wales) Limited is now a dormant company, therefore no transactions occurred during the year.

18 Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net income for the reporting period (as per the SOFA)	70,604	42,375
Adjusted for:		
Dividends, interest and rents from investments	-	(5)
Depreciation charge	17,394	12,411
Gifted non-cash donations	(56,931)	-
Loss from sale of fixed assets	5,628	-
(Increase)/decrease in stocks	(2,373)	(1,014)
(Increase)/decrease in debtors	40,905	(27,720)
Increase/(decrease) in creditors	(41,629)	159,944
Net cash provided by operating activities	33,598	185,991

	2022 £	2021 £
Cash in hand	292,870	254,601
Total cash and cash equivalents	292,870	254,601

19 Ultimate Controlling Party

Groundwork Wales is the charity's parent company and is the ultimate controlling party.

The company registration number is 03577896, charity registration number 1096662. The registered office is Ty Mynyddislwyn Offices Bryn Road, Pontllanfraith, Blackwood, Gwent, NP12 2PH

Advisors

Auditors

Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Bankers

HSBC
91 High Street
Blackwood
NP12 1PN

The Board of Trustees

The trustees (who are the directors of the company in accordance with the Companies Act 2006) on the date of approval of this report, or who served as trustees at any time during the year reported on, are as follows.

Appointed trustees	First appointed	Last appointed	Retired/resigned
Councillor C Mann	18 July 2012		
Mr P Fiander	17 September 2019		
Mr J Greenidge	17 September 2019		
Mr D Havard	17 September 2019		27 May 2022
Ms K Heenan-Davies	17 September 2109		11 November 2022
Ms N Rees	17 September 2019		

Chair
Mr J Greenidge

Chief Executive
Ms K Stevenson

GROUNDWORK CAERPHILLY

England & Wales - Charity number 1006811

Accounts

CHANGING PLACES
CHANGING LIVES

Groundwork Caerphilly

Annual Report and Financial Statements 2020/21

Groundwork Caerphilly

Charity registration no. 1006811
Company registration no. 2501792

Registered office
Ty Mynyddislwyn Offices, Bryn Road, Pontllanfraith, Blackwood, Gwent NP12 2BH

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About Groundwork Caerphilly

Groundwork Caerphilly is a charity, working within the federation of Groundwork Trusts, locally and nationally to transform lives in the UK's most disadvantaged communities.

We're passionate about creating a future where every neighbourhood is vibrant and green, every community is strong and able to shape its own destiny and no-one is held back by their background or circumstances.

We help people gain confidence and skills, get into training and work, protect and improve green spaces, lead more active lives and overcome significant challenges such as poverty, isolation, low skills and poor health.

Groundwork Caerphilly is registered as a company and charity. This report outlines the activity, priorities and financial position of Groundwork. More information on our work can be found in our Impact Report and on our website.

Chairman's statement

I present this report from Groundwork Caerphilly at an unparalleled time in the charity's history. The role of Groundwork Caerphilly is to support some of our most disadvantaged communities in the valleys and this has never been more vital. The Covid-19 pandemic has exacerbated already widening inequalities in our communities and I am proud of the efforts made by the Furniture Revival team lead by Byron James. This social enterprise, focusing on the reuse of household furniture & electricals, supports people in our communities and is also key to the sustainability and climate change agenda through its reuse and recycling initiatives.

During this period the team have:

- Attracted new tenants to our environment centre
- Circular Economy funding, in partnership with Caerphilly Council, enabling us to upgrade our business and purchase new vehicles
- Supported the most vulnerable through the pandemic through provision of procured furniture items to those experiencing homelessness

We are lucky to have loyal and dedicated staff in Groundwork Caerphilly and they are the foundation of our continuing success. I am confident that we will continue to meet the challenges and feel honoured and privileged to have been Chair through this period.

Jeff Greenidge

Governance

Registration numbers

Charity registration no. 1006811
Company registration no. 2501792

Structure

Groundwork Caerphilly's governing documents are its Memorandum and Articles of Association, which were last amended by written resolution in 2012.

Board of trustees

The board of trustees sit in accordance with the Charities Act 2011 and are also the directors of the company in accordance with the Companies Act 2006. The majority of our trustees are co-opted, with one nominated member from Caerphilly council. We seek a broad skills base on our board of trustees to enable us to benefit from specialist expertise and networks.

We take our governance responsibilities very seriously, recognising the need to ensure as much of our resource as possible is expended on delivering our charitable mission while ensuring our organisation is strong, well-managed and financially viable in the long term.

New trustees are provided with an induction to the organisation, which includes a specific focus on their role and responsibilities.

Trustees are responsible for ensuring sound organisational systems, processes and policies are maintained and embedded in the way Groundwork UK is managed. This includes policies governing our fundraising standards, our investments and our responsibilities to our staff, volunteers and beneficiaries. We pay particular attention to issues of health and safety, safeguarding, data protection and information security, each of which has a champion on our board, and maintains comprehensive business continuity arrangements. We undertake a regular skills audit of our board to ensure we have access to the expertise needed to run our organisation efficiently, effectively and safely.

Groundwork Wales' Management Team is led by the Chief Executive and includes senior staff members responsible for financial and business management, business development, communications and fundraising and programme management. Groundwork Wales management team manage Groundwork Caerphilly. This team is fully accountable to the Board and its Committees. It operates through delegated powers outlined in our financial regulations and provides regular reports on financial and operational performance and risk management.

Related party transactions

Each Groundwork Trust is an independent charity with similar aim. We operate within a group structure and Groundwork Caerphilly is a wholly owned subsidiary. Each Trust is therefore responsible for its own management and administration, and for developing and delivering projects that meet its objectives and core purposes. The appointed trustees of Groundwork Wales are also trustees of Groundwork Caerphilly. Groundwork Caerphilly is a related party to Groundwork Wales.

Groundwork Caerphilly has considered the other disclosure requirements of the SORP and believes that there are no other related party transactions.

Our commitments

Everything Groundwork Caerphilly does is underpinned by a set of values, which inform the way we work and behave. We are environmentally aware and focused on communities in need. We are collaborative, show integrity and strive for quality in everything we do. Our decisions, actions and operations are also guided by our sustainable development policy, which sets out how we aim to contribute to creating a strong and just society living within environmental limits.

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes".

All of our fundraising is managed internally and we do not employ commercial participators or professional third-party fundraisers. The day to day management of all income generation activity is delegated to the senior management team, who are accountable to the trustees.

Groundwork Caerphilly is not required to be bound by any regulatory scheme.

As a charity dedicated to supporting people who may be vulnerable we are committed to ensuring our operations are delivered safely and to the highest ethical standards. We have a Groundwork-wide commitment to effective safeguarding and aim to meet best practice standards in terms of management, governance and transparent reporting.

Objectives and public benefit

Groundwork Caerphilly's charitable objectives are set down in its Memorandum of Association and date from the interpretation of charitable activities when they were drafted, as amended at annual general meetings and by written resolution in 2012. They commit Groundwork Caerphilly to delivering and promoting regeneration and sustainable development as follows.

To promote the conservation, protection and improvement of the physical and natural environment in the County Boroughs of Caerphilly and other South Wales Local Authority areas including Torfaen, Newport and Monmouthshire.

To provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting to the Area.

To advance public education in environmental matters and of the ways of better conserving, protecting and improving the same wheresoever.

To promote for the public benefit, urban or rural regeneration in areas of social and economic deprivation within the Area by all or any of the following means:

- the relief of poverty in such ways as may be thought fit;
- the relief of unemployment in such ways as may be thought fit including assistance to find employment;
- the advancement of education, training or re-training particularly amongst unemployed people and providing unemployed people with work experience;

- the provision of financial assistance, technical assistance, business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help:

  (a) in setting up their own businesses; or

  (b) to existing businesses;

  the creation of training and employment opportunities by the provision of work space, buildings and/or land for use on favourable terms;

  the provision of housing for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing;

  the maintenance, improvement or provision of public amenities, including the provision of routeways such as footpaths and cycleways and access to main transport routes;

  the preservation of buildings or sites of historic or architectural importance;

  the provision or assistance in the provision of recreational facilities for the public at large and/or those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities;

  the protection or conservation of the environment, including the reclamation of derelict land for use as open space;

  the provision of public health facilities and childcare, including the provision of schemes to promote healthier lifestyles and crèche facilities to increase the ability of parents to take up employment;

  the promotion of public safety and prevention of crime, including the alleviation of anti-social behaviour;

  such other means as may from time to time be determined subject to the prior written consent of the Charity Commissioners for England and Wales.

To promote sustainable development for the benefit of the public within the Area by:

- the preservation, conservation and the protection of the environment and the prudent use of resources;

- the relief of poverty and the improvement of the conditions of life in socially and disadvantaged communities;

- the promotion of sustainable means of achieving economic growth and regeneration.

To advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large.

Sustainable development in this Article and in Article 1 above means "development which meets the needs of the present without compromising the ability of future generations to meet their own needs".

To promote the efficiency and effectiveness of charities within the Area in the direct furtherance of their objects (or any one of them) by the provision of information, advice and assistance in the establishment, administration and management of such charities including assistance of all types in connection with the raising and distribution of funds.

To promote the efficiency and effectiveness of the voluntary sector for the benefit of the public by the provision of information, support and advice to local community based groups anywhere in the Area[i].

Groundwork Caerphilly's trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the organisation's objectives and planning future activities. In particular, the trustees consider how planned activities will contribute to the charitable objectives set out above. Further details about the impact of Groundwork UK's activities during 2019/20 can be found on the following pages.

Our work is designed to address the needs of all sections of the community and we provide equal access to our services regardless of race, gender, disability or sexual orientation.

For further details about our work visit **www.groundwork.org.uk**

Strategic report for the year ended 31 March 2021

The Board of Trustees presents its report for the year ended 31 March 2021. This includes statements about our organisation (page 2), its objectives and its governance (page 3), our financial and operational review for the year (pages 7-10), our plans for the future (pages 6-7) and details of our trustees, senior staff and advisers (pages 30-32).

1. Performance overview

2020/21 has been a challenging year for Groundwork Caerphilly.

The majority of activities set out in our business plan for the year have been progressed to some extent, but during the pandemic and lockdowns during the year, we were unable to open our facilities as usual.

Levels of income generated for the year were down on our expectations by £111k as a result of a challenging operating environment within the ongoing pandemic.

Activity highlights

Groundwork continues to deliver a rich variety of local projects, programmes and services that are transforming lives in local communities and helping more people get involved in taking action to improve their personal circumstances and the quality of life in their area.

Last year we sourced £287k of funding or enterprising income to support our mission.

2. Our plans for the future

In order to ensure Groundwork Caerphilly's activities are fully aligned with the needs and expectations of our wider federation, our forward plans are clearly and explicitly driven by Groundwork's collectively agreed strategy. This can be summarised as follows.

'Groundwork 2023', details how we will support communities to combat the climate and nature emergency, improve their health and wellbeing and gain access to learning and work opportunities.

Groundwork 2023 sets out the charity's ambition to become a significant, radical, national force for driving change in attitudes, behaviours, places and prospects in the local communities that need it most. The strategy commits Groundwork to achieving the following by 2023:

- Mobilise 75,000 days of voluntary action to combat the climate and nature emergency
- Connect 50,000 people with their community and nature to improve wellbeing
- Support 20,000 people into accessing learning and work

Groundwork Caerphilly will continue to run Ty Mynyddislwyn Environment Centre to provide facilities for local communities as well as Groundwork Wales programmes, to improve and strengthen our provision of community development, physical activity, environmental regeneration, employability and volunteering programmes. We will do this by the selling on of reusable furniture to customers in need and delivering contracts to Caerphilly County Borough Council and developing new contracts with other Local Authorities.

3. Financial performance

Groundwork Caerphilly net incoming resources for 2020-21 totalled £42,375 in surplus (compared to £75,962 in deficit in 2019-20), with an unrestricted surplus of £50,274.

Our long-term financial strategy has two clear and linked strands as follows:

- to manage our overhead costs to ensure discretionary spending is focused on supporting front line delivery and generating more income while maintaining the capacity we need to operate effectively and safely
- to achieve an operating surplus so that we can hold a level of reserves sufficient to sustain our charitable operations and strengthen our balance sheet to support commercial services and manage the risk of outcome-based funding arrangements.

3.1 Reserves

In line with this financial strategy our trustees have agreed that we should aim to hold 3 months operating costs (circa £80K) in liquid reserves. We believe this is appropriate for the following reasons:

- to absorb short term setbacks such as loss or delays in funding
- to provide the working capital required to finance retrospective 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 Groundwork
- to cover the cost of developing new services, such as improved communications, research and quality and business information systems
- to set aside funds for capital assets such as ICT equipment
- to provide funding to cover any unforeseen downturn in activity, allowing alternative activity to be generated and/or a planned down-sizing of our staff team.

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

- the need to be seen as a responsible charity by the Charity Commission, our partners and funders, our member Trusts within Groundwork and the communities we serve
- the need to avoid the creation or retention of unnecessary surpluses for which there is no future planned requirement or that bear no relation to our charitable aims.

Our general fund reserve does not include designated funds which have been set aside for specific purposes, or restricted funds which represent advance payments by funders held by Groundwork Caerphilly.

Unrestricted reserves, excluding designated reserves, are in surplus by £18,314 (2020: £3,040) with restricted funds of £151,457 (2020: £159,356). Designated funds of £65,000 will be spent for future maintenance costs to the Ty Mynyddislwyn premises.

Restricted funds can only be used in accordance with agreements reached with funders relating to programmes of work and therefore do not form part of the general reserves that are under the control of the trustees. These funds at the year- end relate to fixed assets acquired in previous years which are being depreciated over their useful life. The future movements on any such restricted funds reflect the long-term nature of Groundwork Caerphilly's programme activity and in no way reflects on the organisation's financial efficiency or performance.

3.2 Investments

The majority of the grant funds obtained by Groundwork Caerphilly are provided against specified projects for particular needs and are therefore of a restricted nature.

We do not invest monies.

3.3 Principal funding sources

Our major sources of funding during the last year are set out below.

- Income through charitable trading:
    - The selling on of reusable furniture to customers in need
    - The rental of facilities at Ty Mynyddislwyn Environment Centre
    - The delivery of contracts under SLA with Caerphilly Council for the collection of bulky household waste and white goods
    - The delivery of contracts for battery collections
- Public sector grants and contracts - £138k (£8k in 2020)
    - Caerphilly County Borough Council SLAs
- Charitable Donations

3.4 Expenditure on charitable objectives

In line with the objectives set in our Groundwork 2020 strategy and the Groundwork Caerphilly business plan, our expenditure in the year was directed towards the following activities.

- The selling on of reusable furniture to customers in need
- The rental of facilities at Ty Mynyddislwyn Environment Centre
- The delivery of contracts under SLA with Caerphilly Council for the collection of bulky household waste and white goods
- The delivery of contracts for battery collections
- The delivery of contracts for the supply of market stall services

3.5 Key Performance Indicators

Data against a number of key performance indicators is presented to our trustees on a quarterly basis to measure our success in profile raising, income generation, programme management and continual improvement. These KPIs are tracked on a rolling basis and compared to target levels of performance outlined in our annual business plan.

Monthly management accounts track progress against our financial targets and reforecasts to the year-end are made quarterly. A key performance indicator is the amount of income secured as a percentage of forecast salaries and operating costs. This informs year-end forecasts based on prior years' experience.

3.6 Sustainable Development Report

Groundwork's charitable mission is to promote sustainable development – helping communities and individuals develop the understanding and capability to take action and make choices that deliver social equity and economic prosperity while recognising the need to live within the earth's finite natural resources. In order to have credibility as an organisation we need to demonstrate that the principles of sustainable development underpin the way we go about our work. Our sustainable development policy commits us to reporting on how these principles are integral to the way we plan and manage our operations, support our employees and utilise our resources.

3.7 Principal risks and uncertainties

Our board of trustees understands 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.

Within our Group, Trustees regularly review the development and operation of our risk management process and receive quarterly updates on actions put in place to mitigate the most significant ongoing risks. Risks are identified by our staff teams and reviewed on a regular basis by our management team.

The major areas of potential risk, for which we have active mitigation strategies in place, are as follows:

- Slow recovery in financial climate, inability to secure income and threat to bottom line and business viability
- Increased competition / Diminishing Grant funds
- Lower Business Viability/Pressure on reserves - Significant reduction in core funding WG, Significant reduction in funding Local Authorities

Groundwork Caerphilly 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 organisation, and that these processes are used to help identify at an early stage issues that affect performance or the achievement of our purpose.

However, trustees also recognise that our process can only seek to manage rather than eliminate risk, and that it should therefore be only one of the tools that the Board uses to provide effective control and management of the administration of the charity.

3.8 Financial instruments

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

4 Statement of trustees' responsibilities

The trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees 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 charity and of the incoming resources and application of resources, including the income and expenditure of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information by the trustees to the auditor

Each of the trustees has confirmed that, so far as they are aware, there is no relevant audit information of which Groundwork Caerphilly's auditor is unaware, and that they have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that Groundwork Caerphilly's auditor is aware of that information.

Signed on behalf of the Board of trustees



Jeff Greenidge
Chairman

Date: 30/11/21

Independent Auditor's Report to members of Groundwork Caerphilly

Opinion

We have audited the financial statements of Groundwork Caerphilly ("the Charitable Company") for the year 31 March 2021 ended which comprise the statement of financial activities, the balance sheet, the cash flow statement 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 Charitable Company's affairs as at 31st March 2021 and of the incoming resources and application of resources 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements 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.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees report, which includes the di rectors' report and the strategic report

- prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the di rectors' report included within the trustees report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the di rectors' report included within the trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees
As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 trustees determine is 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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 is available on t he Financial Reporting Council's website at: https: // www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non- compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Case

Sarah Case FCA DChA
(Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants and Statutory Auditors
Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff CF23 8AB

Date: 6-12 2021

Groundwork Caerphilly

Statement of financial activities for the year ended 31 March 2021
Including Income and Expenditure Accounts

	Note	2021 Unrestricted funds	2021 Restricted funds	2021 Total	2020 Total
		£	£	£	£
Income From					
Donations		37,267	-	37,267	72
Charitable activities	3	121,075	109,629	230,704	225,714
Other trading activities	4	19,291	-	19,291	28,375
Investments	2	5	-	5	7
Gain on disposal		-	-	-	1,100
TOTAL		177,638	109,629	287,267	255,268
Expenditure on					
Charitable activities	5	127,364	117,528	244,892	331,230
TOTAL		127,364	117,528	244,892	331,230
Net movement in funds	8	50,274	(7,899)	42,375	(75,962)
Reconciliation of funds					
Fund balances brought forward	16	33,040	159,356	192,396	268,358
Fund balances carried forward	15,16	83,314	151,457	234,771	192,396

Incoming resources and resources expended derive from continuing operations.

The company has no other recognised gains or losses other than those passing through the statement of financial activities.

The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies Act 2006.

The notes pages 17 to 32 form part of these financial statements.

Groundwork Caerphilly

Balance sheet at 31 March 2021

Company number 02501792	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	9		4,076		5,474
Tangible assets	10		155,749		165,924
Investments	11		100		100
			159,925		171,498
Current assets					
Stock		8,717		7,703	
Debtors	12	55,008		27,288	
Cash at bank		254,603		69,445	
		318,328		104,436	
Creditors: amounts falling due within one year	13	(243,482)		(83,538)	
Net current assets			74,846		20,898
Net assets			234,771		192,396
Reserves					
Unrestricted funds:					
General Funds	16		18,314		3,040
Designated funds	16		65,000		30,000
Restricted funds	16		151,457		159,356
			234,771		192,396

These financial statements were approved by the Board of trustees and authorised for issue on 28th November 2021 and were signed on its behalf by:

Jeff Greenidge
Chairman

The notes pages 17 to 32 form part of these financial statements.

Groundwork Caerphilly

Cash flow statement for the year ended 31 March 2021

	Note	2020/21 £	2019/20 £
Cash flow from operating activities			
Net cash provided by operating activities	18	185,991	(214,010)
Cash flows from investing activities			
Dividends, interest and rents from investments		5	7
Purchase of property, plant and equipment		(838)	(2,700)
Proceeds from disposal of fixed assets		-	1,100
Net cash provided by investment activities		(833)	(1,593)
Change in cash and cash equivalents in the reporting period		185,158	(215,603)
Cash and cash equivalents at the beginning of the reporting period		69,445	285,048
Cash and cash equivalents at the end of the reporting period		254,603	69,445

The notes pages 17 to 32 form part of these financial statements.

1 Charity information

Groundwork Caerphilly is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is Mynyddislwyn Offices, Bryn Road, Pontllanfraith, Blackwood, Gwent, NP12 2BH.

Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of preparation
The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Rounding
Figures contained in the financial statements have been rounded to the nearest pound.

Presentation of the accounts on a going concern basis
The charity reported a net unrestricted outflow of £67,036 for the year. Trustees are monitoring results on a frequent basis. The trustees are of the view that with the support of the parent charity, the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

Fund accounting
Unrestricted funds are available for use at the discretion of the trustees in furtherance of the trust's general objectives.

Restricted funds are funds subject to specific restrictive conditions imposed by the terms of the grant or funding body.

Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Incoming resources
Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income and grants are included in incoming resources when receivable, except as follows: -

- When donors specify that the grants must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- When donors specify that grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Allocation of expenditure
Expenditure incurred by the charity in the year has been split between restricted and unrestricted funds. Costs have been analysed between direct charitable expenditure, fundraising and publicity and the administration and management of the charity. Expenditure relating directly to a cost category has been charged to that account. Expenditure, which includes more than one cost category, has been apportioned on a reasonable, justifiable and consistent basis to the categories involved. Committed expenditure that has yet to be invoiced is, in line with best accounting practice, not recognised in these accounts. It is intended that such expenditure will be funded by future income flows.

Charitable activities
This includes all expenditure directly related to the aims of the charity as follows:

- To promote the conservation, protection and improvement of the physical and natural environment.
- To provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living, working and visiting in the area.
- To advance public education in environmental matters and in the ways of better conserving, protecting and improving the environment.

Governance costs
These costs include the costs of governance arrangements, which relate to the general running of Groundwork Caerphilly as opposed to the direct management functions inherent in generating funds, service delivery and programme of project work. These include such items as external audit, legal advice for trustees and costs associated with constitutional and statutory requirements.

Resources expended
Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure has been allocated to management and administration of the trust, where it relates to the management of the trust's assets, organisational administration and compliance with constitutional and statutory requirements.

Resources expended are recognised in the period in which they are incurred.

Intangible assets
Intangible assets are capitalised at costs and amortised over its expected useful life. The amortisation rate used is 20% on cost.

Tangible fixed assets
Fixed assets are capitalised at cost. Depreciation is calculated so that the cost of tangible assets or valuation less any residual value is written off over their estimated useful lives on the following basis: -

Computers	33.33% on cost
Office equipment	20% on cost
Plant and machinery	20% on cost
Buildings	2.5% on cost
Land	0% on cost

Investments
Investments relate to 100% of the share capital of the charity's wholly owned trading subsidiary and are recognised at cost less provision for impairment.

Stocks
Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price after taking into account all further costs and excess stocks that are slow moving.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments
Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Pensions
The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against both restricted and unrestricted funds.

Taxation
As a registered charity, Groundwork Caerphilly is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

Capital grants received

Grants that relate to capital expenditure on specific projects are treated as restricted funds that are charged to the income and expenditure account at acquisition. This treatment is due to the nature of the funding as the grants are received to provide equipment to specifically run the projects and services.

Operating lease costs
The rentals under operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged against profit as incurred.

Critical accounting estimates and judgements

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Incoming resources

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Investments				
Bank interest	5	-	5	7
	5	-	5	7

3 Incoming resources

Incoming resources from charitable activities provided by:

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Grants	28,923	109,629	138,552	8,064
Environment Centre	20,193	-	20,193	35,111
Furniture revival	71,959	-	71,959	182,539
	121,075	109,629	230,704	225,714

4 Incoming resources

Incoming resources from charitable activities provided by:

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Other income	19,291	-	19,291	28,375
	19,291	-	19,291	28,375

5 Charitable activities

Expenditure on charitable activities:

	2021 Total £	2020 Total £
Direct costs		
Staff costs	139,726	150,903
Volunteer costs	1,159	2,825
Material & direct purchases	20,942	57,123
Subcontractors & consultancy	66	10,399
Project travel and transport	9,237	8,588
Project publicity	-	791
Depreciation	11,134	6,171
	182,264	236,797

	2021 Total £	2020 Total £
Support costs		
Premises expenses	24,247	32,155
Depreciation/Amortisation	1,277	7,426
Motor Travel and expenses	6,924	9,889
Communications & IT	457	3,874
Administration & sundry	7,474	8,112
Staff costs	18,099	28,452
Governance	4,150	4,525
	62,628	94,433

Analysed between:	2021 £	2020 £
Unrestricted	127,364	320,441
Restricted	117,528	10,789
	244,892	331,230

6 Employees

The average monthly number of employees during the year was as follows.

	2021	2020
Direct charitable	9	10
Management and admin	-	1
	9	11

The aggregated cost of these persons was as follows.

	2021 £	2020 £
Wages and salaries	148,501	170,995
Social security costs	5,223	3,653
Pension costs (see note 20)	4,100	4,707
	157,824	179,355

No employees received total benefits of more than £60,000.

Key management personnel
The key senior management personnel of the charity is the Chief Executive Officer. The Chief Executive Officer is paid by Groundwork Wales, the parent company.

7 Transactions with trustees

No trustees received any remuneration for services performed on behalf of the charity (2020: none).

No trustee expenses were paid during the current and previous year.

8 Net incoming resources

	2021 £	2020 £
Net incoming resources for the year is stated after charging:		
Auditor's remuneration:		
Audit	4,150	4,525
Depreciation of owned fixed assets	11,013	12,199
Amortisation of intangible assets	1,398	1,398

9 Intangible fixed assets

	£
Cost	
At 1 April 2020	6,988
At 31 March 2021	6,988
Amortisation	
At 1 April 2020	1,514
Additions	1,398
At 31 March 2021	2,912
Net book value	
At 31 March 2021	4,076
At 31 March 2020	5,474

10 Tangible assets

	Plant and machinery	Motor vehicles	Freehold Land & Buildings	Total
	£	£	£	£
Cost or Valuation				
At 1 April 2020	30,149	28,523	150,000	208,672
Additions	838	-	-	838
Disposals	(12,251)	(2,500)	-	(14,751)
At 31 March 2021	18,736	26,023	150,000	194,759
Depreciation				
At 1 April 2020	16,988	8,885	16,875	42,748
Charged for the year	4,308	4,830	1,875	11,013
Disposals	(12,251)	(2,500)	-	(14,751)
At 31 March 2021	9,045	11,215	18,750	39,010
Net book value				
At 31 March 2021	9,691	14,808	131,250	155,749
At 31 March 2020	13,161	19,638	133,125	165,924

11. Investments

The investment relates to the charity's dormant subsidiary undertaking G C Enterprises (Wales) Limited, company registration no 06296414 with a share capital of £100. The trading subsidiary is wholly owned by the charity.

The registered office is Mynyddislwyn Offices, Bryn Road, Pontllanfraith, Blackwood, Gwent, NP12 2BH

12 Debtors

	2021 £	2020 £
Trade debtors	43,649	9,501
Prepayments and Accrued Income	8,512	17,662
Other debtors	2,847	125
	55,008	27,288

13 Creditors

	2021 £	2020 £
Trade Creditors	2,395	7,637
Amount due to group entities	217,269	55,723
Accruals & Deferred Income	22,806	22,628
VAT	1,012	-
	243,482	83,538

14 Deferred income

Contained in the accruals and deferred balance above is deferred income in relation to performance related grants which relates to the 2021/21 financial year.

	Balance at 1 April 2020 £	Transferred from deferred income £	Balance at 31 March 2021 £
Programmes	-		

Net incoming resources as shown in the Statement of Financial Activities result from the following.

	Income Received £	Transferred from deferred income £	Net incoming resources £
Unrestricted funds			

Deferred income related to income received for programmes in the prior year with delivery in the current year.

15 Analysis of net assets at 31 March 2021

	Unrestricted funds £	Restricted funds £	Total £
Intangible & Tangible fixed assets	9,144	150,681	159,825
Investments	100	-	100
Net current assets	74,070	776	74,846
	83,314	151,457	234,771

Analysis of net assets at 31 March 2020

	Unrestricted funds £	Restricted funds £	Total £
Intangible & Tangible fixed assets	12,042	159,356	171,398
Investments	100	-	100
Net current assets	20,898	-	20,898
	33,040	159,356	192,396

16 Statement of funds

Unrestricted funds

	Designated fund £	General fund £	Total £
At 1 April 2020	30,000	3,040	33,040
Incoming resources	-	177,638	177,638
Resources expended	-	(127,364)	(127,364)
Transfers	35,000	(35,000)	-
At 31 March 2021	65,000	18,314	83,314
At 1 April 2019	50,000	50,076	100,076
Incoming resources	-	253,405	253,405
Resources expended	(10,400)	(310,041)	(320,441)
Transfers	(9,600)	9,600	-
At 31 March 2020	30,000	3,040	33,040

The income funds of the company included the following designated funds which have been set aside out of unrestricted funds by the Trustees in respect of providing for future building maintenance.

Designated funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Building maintenance costs	30,000	-	-	35,000	65,000
At 31 March 2021	30,000	-	-	35,000	65,000

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2020 £
Building maintenance costs	50,000	-	(10,400)	(9,600)	30,000
At 31 March 2020	50,000	-	(10,400)	(9,600)	30,000

16 Statement of funds (continued)

Restricted funds

Restricted funds comprise performance related grants as follows.

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Ty Mynyddislwyn Environment Centre	133,122	-	(1,875)	131,247
Garfield Weston	25,462	-	(6,600)	18,862
Windpower Community Fund	772	-	(200)	572
Job Retention Scheme	-	67,724	(67,724)	-
GrantScape	-	2,000	(1,224)	776
Circular Economy Fund	-	39,905	(39,905)	-
At 31 March 2021	**159,356**	**109,629**	**(117,528)**	**151,457**

Ty Mynyddislwyn Environment Centre - This represents funding provided to purchase the property under the capital asset transfer scheme. The property is being depreciated in line with the charity's depreciation policy. Resources expended represents the depreciation charge for the year.

Garfield Weston – grant funding provided for capital expenditure and the funding is being depreciated in line with charity's depreciation policy. Resources expended represents the depreciation charge for the year.

Windpower Community Fund – grant funding provided for capital expenditure and the funding is being depreciated in line with charity's depreciation policy. Resources expended represents the depreciation charge for the year.

Job Retention Scheme – relates to government funding to support 80% of salary costs of staff furloughed during the COVID 19 pandemic.

GrantScape
Pen Bryn Oer Wind Farm provides grant up to £2,000 for projects located within Community Council areas of Rhymney and Tredegar to provide grants to support community groups who offer vital services related activities or towards improvements to community amenities.

Circular Economy Capital Fund 2020-21
The fund was open to local authorities to help Wales shift towards a circular economy driving further increases in recycling and decarbonisation.

16

Statement of funds (continued)

Previous Year

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
Ty Mynyddislwyn Environment Centre	134,997	-	(1,875)	133,122
Garfield Weston Windpower Community Fund	972	-	(200)	772
Intern/EMP fund	251	1,863	(2,114)	-
At 31 March 2020	**168,282**	**1,863**	**(10,789)**	**159,356**

17 Related party transactions

As at 31 March 2021, the charity's parent charity Groundwork Wales donated £35,000 to the charity (2020: £nil).

As at 31 March 2021, the charity owed Groundwork Wales £217,269 (2020: £55,723).

During the year the charity recharged £36,321 (2020: £26,875) to Groundwork Wales for expenditure made on its behalf.

The trading subsidiary GC Enterprises (Wales) Limited is now a dormant company, therefore no transaction occurred during the year.

18 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the SOFA)	42,375	(75,962)
Adjusted for:		
Dividends, interest and rents from investments	(5)	(7)
Depreciation charge	12,411	13,597
Proceeds from sale of fixed assets	-	(1,100)
(Increase)/decrease in stocks	(1,014)	(296)
(Increase)/decrease in debtors	(27,720)	20,146
Increase/(decrease) in creditors	159,944	(170,388)
Net cash provided by operating activities	185,991	(214,010)

	2021 £	2020 £
Cash in hand	254,601	69,445
Total cash and cash equivalents	254,601	69,445

19 Ultimate Controlling Party

Groundwork Wales is the charity's parent company and is the ultimate controlling party.

The company registration number is 03577896, charity registration number 1096662. The registered office is Ty Mynyddislwyn Offices Bryn Road, Pontllanfraith, Blackwood, Gwent, NP12 2PH

Advisors

Auditors

Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Bankers

HSBC
91 High Street
Blackwood
NP12 1PN

The Board of Trustees

The trustees (who are the directors of the company in accordance with the Companies Act 2006) on the date of approval of this report, or who served as trustees at any time during the year reported on, are as follows.

Appointed trustees	First appointed	Last appointed	Retired/resigned
Councillor C Mann	18 July 2012		
Mr P Fiander	17 September 2019		
Mr J Greenidge	17 September 2019		
Mr D Havard	17 September 2019		
Ms K Heenan-Davies	17 September 2109		
Ms N Rees	17 September 2019		

Chair
Mr J Greenidge

Chief Executive
Ms K Stevenson