

# Groundwork South and North Tyneside Limited

England & Wales · Charity number 1007918

## Details

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|             |                                                                                                                                                                                          |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Other names | GROUNDWORK SOUTH TYNESIDE AND NEWCASTLE-UPON-TYNE, GROUNDWORK SOUTH TYNESIDE AND NEWCASTLE-UPON-TYNE, SOUTH TYNESIDE GROUNDWORK TRUST, GROUNDWORK SOUTH TYNESIDE AND NEWCASTLE UPON TYNE |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|        |            |
|--------|------------|
| Status | Registered |
|--------|------------|

|            |                    |
|------------|--------------------|
| Legal form | Charitable company |
|------------|--------------------|

|                |                          |
|----------------|--------------------------|
| Company number | <a href="#">02592100</a> |
|----------------|--------------------------|

|            |            |
|------------|------------|
| Registered | 1992-01-31 |
|------------|------------|

|          |                                                         |
|----------|---------------------------------------------------------|
| Register | <a href="#">View on the Charity Commission register</a> |
|----------|---------------------------------------------------------|

## Contact

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|---------|----------------------------------------------------------------------------------------------|
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|---------|----------------------------------------------------------------------------------------------|

|       |             |
|-------|-------------|
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|-------|-------------|

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|-------|--------------------------------------------------------------------------------|

|         |                                                                            |
|---------|----------------------------------------------------------------------------|
| Website | <a href="http://www.groundwork-stan.org.uk">www.groundwork-stan.org.uk</a> |
|---------|----------------------------------------------------------------------------|

## Activities

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**Objects:** 3.4 TO PROMOTE FOR THE PUBLIC BENEFIT, URBAN OR RURAL REGENERATION IN AREAS OF SOCIAL AND ECONOMIC DEPRIVATION WITHIN THE METROPOLITAN BOROUGH OF SOUTH TYNESIDE AND THE CITY OF NEWCASTLE UPON TYNE BY ALL OR ANY OF THE FOLLOWING MEANS:3.4.1 THE RELIEF OF POVERTY IN SUCH WAYS AS MAY BE THOUGHT FIT,3.4 2 THE RELIEF OF UNEMPLOYMENT IN SUCH WAYS AS MAY BE THOUGHT FIT INCLUDING ASSISTANCE TO FIND EMPLOYMENT;3.4.3 SUCH OTHER MEANS AS MAY FROM TIME TO TIME BE DETERMINED SUBJECT TO THE PRIOR WRITTEN CONSENT OF THE CHARITY COMMISSION FOR ENGLAND AND WALES3.5 TO PROMOTE SUSTAINABLE DEVELOPMENT FOR THE BENEFIT OF THE PUBLIC BY:(A) PRESERVATION, CONSERVATION AND THE PROTECTION OF THE ENVIRONMENT AND THE PRUDENT USE OF RESOURCES,(H) THE RELIEF OF POVERTY AND THE IMPROVEMENT OF THE CONDITIONS OF LIFE IN SOCIALLY AND ECONOMICALLY DISADVANTAGED COMMUNITIES,(C) THE PROMOTION OF SUSTAINABLE MEANS OF ACHIEVING ECONOMIC AND SOCIAL GROWTH AND REGENERATION .3.6 TO ADVANCE THE EDUCATION OF THE PUBLIC IN SUBJECT 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 ARTICLE 3.5 ABOVE MEANS "DEVELOPMENT WHICH MEETS THE NEEDS OF THE PRESENT WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATION TO MEET THEIR OWN NEEDS. "3. 7 TO PROMOTE THE EFFICIENCIES AND THE EFFECTIVENESS OF THE CHARITIES IN DIRECT FURTHERANCE OF THEIR OBJECTS (OR ANY ONE OF THEM) BY THE PROVISION OF THE INFORMATION, ADVICE AND ASSISTANCE IN THE ESTABLISHMENT, ADMINISTRATION AND MANAGEMENT OF SUCH CHARITIES INCLUDING ASSISTANCE OF ANY TYPES IN CONNECTION WITH RAISING AND DISTRIBUTION OF FUNDS.3.8 TO PROMOTE THE EFFICIENCIES AND THE EFFECTIVENESS OF THE VOLUNTARY SECTOR FOR THE BENEFIT OF THE PUBLIC BY THE PROVISION OF INFORMATION, SUPPORT AND ADVICE TO LOCAL COMMUNITY GROUPS.

**Activities:** Working with communities to build stronger neighbourhoods.Working to realise the potential of young peopleThrough education, promoting learning, citizenship and sustainabilityWorking to reconnect people and placesWorking to provide training for employment and stimulating enterpriseWorking to help businesses succeed

## Classification

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- **How:** Provides Services
- **What:** Education/training, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Children/young People, People With Disabilities, The General Public/mankind

## Geography

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- **Area of benefit:** THE BOROUGH OF SOUTH TYNESIDE, NEWCASTLE UPON TYNE, GATESHEAD
- Newcastle Upon Tyne City
- North Tyneside
- South Tyneside

## Finances

| Period end | Income     | Expenditure | Assets     | Employees |
|------------|------------|-------------|------------|-----------|
| 2025-03-31 | £2,931,913 | £2,984,211  | £2,697,422 | 58        |
| 2024-03-31 | £2,553,579 | £2,582,605  | £2,700,611 | 58        |
| 2023-03-31 | £2,377,054 | £2,481,420  | £2,778,746 | 65        |
| 2022-03-31 | £2,009,368 | £2,050,502  | £2,815,194 | 66        |
| 2021-03-31 | £1,951,672 | £1,838,479  | £2,924,246 | 57        |

## Trustees

| Name                      | Role | Appointed  |
|---------------------------|------|------------|
| ANDREW WHITTAKER          |      | 2013-01-29 |
| DIANA CATHERINE PEARCE    |      | 2011-04-07 |
| Daniel O'Mahoney          |      | 2018-12-20 |
| Dr Andrew Richard Woods   |      | 2024-06-13 |
| Gillian Symington         |      | 2025-01-07 |
| James Robert Alfred Craft |      | 2025-01-13 |
| Jamilah Hassan            |      | 2025-01-15 |
| Jeremy Robert Cripps      |      | 2022-03-03 |
| Lee Marshall              |      | 2025-04-28 |
| Richard Lee               |      | 2023-10-23 |
| SUSAN BROWN               |      | 2023-10-23 |
| Sian Broadhurst           |      | 2022-06-16 |
| Stephen Brand             |      | 2021-08-19 |

**Groundwork South and North Tyneside Limited**

England & Wales - Charity number 1007918

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# Accounts

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Company registration number: 02592100

Charity registration number: 1007918

# GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2025

# Groundwork South and North Tyneside Limited

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# Groundwork South and North Tyneside Limited

## Reference and Administrative Details

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Trustees                    | D C Pearce, Chair<br>M J Cuthbertson, Vice Chair (resigned 5 December 2024)<br>J D Owen, Treasurer (resigned 20 March 2025)<br>A Whittaker<br>D J O'Mahoney<br>D Turton (resigned 5 December 2024)<br>A R Thurston<br>S Broadhurst<br>Cllr S Dean<br>S Brand<br>J R Cripps<br>R Lee<br>S Brown<br>G S Symington (appointed 7 January 2025)<br>A Woods (appointed 13 June 2024)<br>L Marshall (appointed 28 April 2025)<br>J S Hassan (appointed 15 January 2025)<br>J R A Craft (appointed 13 January 2025) |
| Key Management Personnel    | Mr A Watts, Chief Executive Officer                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Registered Office           | The Eco Centre<br>Windmill Way<br>Hebburn<br>Tyne & Wear<br>NE31 1SR<br>The charity is incorporated in England and Wales.                                                                                                                                                                                                                                                                                                                                                                                   |
| Company Registration Number | 02592100                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Charity Registration Number | 1007918                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Solicitors                  | PGS Law<br>Law Court Chambers<br>Waterloo Square<br>South Shields<br>Tyne and Wear<br>NE33 1AW                                                                                                                                                                                                                                                                                                                                                                                                              |
| Bankers                     | Royal Bank of Scotland<br>Newcastle<br>31 Grey St<br>Newcastle upon Tyne<br>NE1 6ES                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Auditor                     | Azets Audit Services<br>Bulman House<br>Regent Centre<br>Gosforth<br>Newcastle upon Tyne<br>NE3 3LS                                                                                                                                                                                                                                                                                                                                                                                                         |

# **Groundwork South and North Tyneside Limited**

## **Trustees Report**

### **1. Overview**

The Trustees (who are also directors of the charity for the purposes of company law) submit their annual report and the audited financial statements of Groundwork South and North Tyneside, (the Charitable Company) for the year ended 31 March 2025. The financial statements have been prepared in accordance with the accounting policies and comply with the Charitable Company'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 1 January 2019).

The following information about the financial year 2024/25 is presented in the format required by The Charity Commission.

#### **1.1 Organisational Structure and Decision Making**

Groundwork South and North Tyneside is one of a national network of eighteen independent Charitable Trusts, and is part of the Federation of Groundwork Trusts.

The Groundwork Federation is a national regeneration organisation working with partners to improve the quality of the local environment, the lives of local people and the success of local businesses in those areas in need of investment and support. The Federation supports the independent charitable trusts with external funding, development of national programmes, business development, national campaigns and distribution of national policies.

#### **1.2 Vision**

Groundwork's vision is of a society made up of sustainable communities which are vibrant, healthy and safe, which value the local and global environment and where individuals and enterprise prosper.

Groundwork's purpose is to build sustainable communities through joint action.

### **2. CHARITABLE COMPANY GOVERNANCE, STRUCTURE OBJECTIVES AND ACTIVITIES**

#### **2.1 Governing Constitution**

The Charitable Company is a charitable company limited by guarantee and was set up by a Memorandum of Association on 15 March 1991. There are three Company Members each of whom have undertaken to contribute an amount not exceeding £1 in the event of winding up. The Members are:

The Federation of Groundwork Trusts

South Tyneside Metropolitan Borough Council

North East England Chamber of Commerce

The Charitable Company is constituted under a Memorandum of Association dated 15 March 1991 and is a registered charity number 1007918. The principal object of the Charitable Company is to build sustainable communities through joint action. The Charitable Company's memorandum and articles of association were amended in June 2017 to include cultural and heritage activities.

# **Groundwork South and North Tyneside Limited**

## **Trustees Report**

The Charitable Company is governed by a Board of Trustees comprising of both co-opted and nominated individuals / representatives who are elected and re-elected on a 3 year term under the terms of the Articles of Association.

Any nominated co-opted Trustee must be endorsed by the Board of Trustees before being appointed.

The Trustees of the Charitable Company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

The charitable company has a procedure for the induction of new Trustees to ensure that all necessary information and governance procedures are fully understood. The induction also includes tours of the organisation's assets and projects to obtain first-hand experience of the range of services.

The Charitable Trust ensures that it manages the challenging operating environment due to the current economic climate; the Trust continues to split the annual Key Performance Indicator's (KPIs) into three business priority areas, finance, development and quality which form the basis of sub committees' of the main Board. The priority areas will form the basis for our business model for the forthcoming year.

### **2.2 Resources Committee**

This priority will concentrate on financial and business management through short term performance management, cost efficiencies and maintaining quality standards to ensure that we deliver quality services within budget and timescales.

Through the performance management framework, the Trust will review the following areas on a regular basis and implement the necessary action plans.

- Operation Portfolio Updates including performance
- Financial Updates & Management
- Staffing / H&R/ EDI
- Property & Asset Strategy
- Compliance (Health & Safety, Safeguarding and GDPR / ICT)
- Quality Standards (including ISO 14001, Better Health @ Work, Disability Confidence)
- Risk Register and Risk Management
- Net Zero Action Plan

# **Groundwork South and North Tyneside Limited**

## **Trustees Report**

### **2.3. Route 2 Work Governors**

To oversee the quality, compliance and learning standards at our Route 2 Work College, the Charitable Company has established Governors Committee. The role of the committee is to support and challenges the quality of the outcomes, achievements, personal development and quality improvement plan. The Committee provide the full Board with a quarterly update on progress.

### **2.4 Jarrow Hall Committee**

To oversee the implementation and monitoring of the Masterplan as well as measuring our impact and outcomes against the investment principles, the Charitable Company has created a Jarrow Hall Committee. The role of the committee is to support the outcomes and actions of the Masterplan whilst overseeing the activity and engagement at the Bede Museum and Anglo-Saxon Farm.

The Committee provide the full Board with a regular progress report.

### **2.5 Charitable Company Objectives**

In setting the governing objects, strategic objectives and plans for the future, the Trustees have given due consideration to general guidance published by the charity commission relating to public benefit.

The governing objects of the charitable company are:

1. To promote the conservation, protection and improvement of the physical and natural environment anywhere within the local Government boundaries of the Metropolitan Boroughs of South Tyneside and North Tyneside.
2. 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 in the Metropolitan Boroughs of South Tyneside and North Tyneside.
3. To advance public education in environmental matters and of the ways of better conserving, protecting and improving the same where so ever.
- 4 To promote for the public benefit, urban or rural regeneration in areas of social and economic deprivation within the Metropolitan Boroughs of South Tyneside and North Tyneside by all or any of the following means:
  - 4.1 The relief of poverty in such ways as may be thought fit;
  - 4.2 The relief of unemployment in such ways as may be thought fit including assistance to find employment;
  - 4.3 Such other means which may from time to time be determined subject to the prior written consent of the Charity Commissioners for England and Wales.

## Groundwork South and North Tyneside Limited

### Trustees Report

5. To provide facilities in the interests of social welfare for recreational, cultural and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting in the Metropolitan Boroughs of South Tyneside and North Tyneside through:

*(a) The operation of leisure, cultural and heritage sites, venues or projects;*

*(b) Holding or owning a historic or cultural collection;*

6. To promote sustainable development for the benefit of the public by:

(a) preservation, conservation and the protection of the environment and the prudent use of resources,

(b) the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities;

(c) the promotion of sustainable means of achieving economic and social growth and regeneration.

7. 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.

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

9. To promote the efficiencies and the effectiveness of the Voluntary Sector for the benefit of the public by the provision of information, support and advice to local community groups

### 2.6 Strategic Objectives

To achieve the above objects, the charitable company uses the following six major areas of work to maximise the impact to the communities it serves:

Working with **communities** to build stronger neighbourhoods.

Working to realise the potential of **young people**.

Through **education**, promoting learning, citizenship and sustainability.

Working to reconnect people with **places**.

Working to provide training for **employment** and stimulating **enterprise**.

Working to help **businesses** succeed.

In addition to the above Groundwork delivers three cross cutting themes:

We promote health and well-being by providing the facilities and support to help people become more physically active and make healthier lifestyle choices. We work closely with housing organisations to plan neighbourhood wide improvements, raise the quality of the housing stock and engage communities to promote greater cohesion. We promote sustainability and combating climate change by encouraging adults and children to change their behaviour.

# **Groundwork South and North Tyneside Limited**

## **Trustees Report**

### **2.7 Contribution of Volunteers to deliver strategic objectives**

A continued support mechanism to the charitable company are volunteers both corporate and local community who provide invaluable support to local projects and supporting local communities. Over the past few years, the charitable company has developed its corporate volunteering model with the continued support of SAGE.

The charitable company has a core of project volunteers who provide support and dedication on a weekly basis to support community projects or local sites such as Jarrow Hall and West Boldon Lodge. To support the recommencement of our programmes post pandemic the volunteering opportunities have increased, thanks to the dedication of our volunteers and additional controls they provided volunteering opportunities to 647 local people to support our vision of changing places, changing lives which equates in total to over 9,900 hours of in-kind support.

### **3. OPERATIONAL ACHIEVEMENTS AND FINANCIAL PERFORMANCE**

#### **3.1 Operational Performance**

We tackle these inequalities as we continue to work with partners to build green jobs and deliver across four main areas, Empowering Sustainable Communities, Raising Aspirations, Creating Better Places and Enriching Lives Through Culture and Heritage, in the places that need it most.

The financial performance in 2024/25 was stable. Through a wide range of contracts, commissions and grants from Government, Funders and Partners, the Charitable Company was able to access significant new funds to support our work within our communities which were needed more than ever.

During the year, the charitable company integrated a number of new operating systems and controls that enable our projects and services to operate in a very controlled and safe environment. To support staff, the charitable company has made significant improvements and operating changes to enable the management of an ever changing activity portfolio effectively and further work has been undertaken on operating systems to maximise the benefits of agile working.

During the year, the Charitable Company major partnership assets at One Trinity Green and The Beacon continued to increase occupancy and directly support the charitable aims through business support, training and enterprise. The Charitable Company's traditional operations remain stable with growth within the majority of the portfolios which has allowed the Charitable Company to manage the financial changes as mentioned within the report.

# Groundwork South and North Tyneside Limited

## Trustees Report

The Charitable Company secured and received a variety of grants including:

### *Groundwork Charitable Trust:*

- Arts Council England, National Portfolio Organisation (NPO), the charitable company secured NPO status and grant to support the cultural offer at Jarrow Hall.
- The National Lottery Community Fund Reaching Communities ongoing delivery of Marsden Says to support the development of community programmes and resilience at Marsden Road Centre.
- LEAP through Agility Eco support people living in poverty and the development of the Green Doctor Service to provide energy efficiency advice and implement energy measures.
- Sage Foundation to support Jarrow Hall site development and corporate volunteering opportunities for local Sage employees.
- National Grid for the continued development of environmental education centres and services via West Boldon Lodge.
- Children in Need Small Grant to support Forest Playschool at West Boldon Lodge to support young people connecting with nature.
- Holiday Activity and Food Fund, in partnership with South Tyneside Council, we delivered a programme of targeted clubs through school holidays to target families.
- Know our Neighbourhood social action grant to reduce isolation and improve mental wellbeing via Community Foundation
- Northern Power Grid in partnership with Groundwork Yorkshire for Green Doctor Energy Advice and Guidance.
- The National Lottery Community Fund in partnership with Groundwork in the North (Groundwork CLAM lead partner) to deliver Green Community Hubs.
- Alternative Education Provision, through a framework with North and South Tyneside Council delivery commenced to support young people.
- National Lottery Climate Action Fund, a partnership grant was secured to deliver pilot Bulky Waste Sustainability Hub project in partnership with South Tyneside Council.
- South Tyneside Council to support delivery Carbon Literacy training
- Northumbria Water and Groundwork East to support delivery of Water Literacy Training.
- National Lottery Heritage Fund, for ongoing delivery of 'Skills for the Past for the Future' at Jarrow Hall.
- Wild Isles secured through Groundwork Manchester for community enabling for grant support for environmental focused activity.
- Masonic Charitable Trust to support Forest Playschool at West Boldon Lodge and Jarrow Hall.
- Tesco Bag for Help via Groundwork UK to support Community Development and local grants.
- Land Trust for the management of Monkton Community Woodland.
- South Tyneside Council UKSPF for capital improvements and installation of outdoor classroom/learning space at Jarrow Hall, with linked social action and personal development activity - spent in the 2024/25 financial year.
- LEAD project in partnership with GWNE&C and Energy Saving Trust to deliver information, advice and guidance for domestic retrofit.
- Cadent/VCMA through GWUK to deliver energy advice and support people in fuel poverty.
- TT2 to support green space, habitat improvements and community engagement / nature connection at Monkton Community Woodland.
- Stronger Shores led by South Tyneside Council for the delivery of Coastal Schools.
- Sports England to support Route2Work College to facilitate physical activity.
- Key Fund to support positive youth led activities through Route2Work College.
- Public Health via South Tyneside Council for the delivery of Green Exercise programme.
- South Tyneside Council UKSPF and Arts Council England via Place Partnership through Making Waves Cultural Partnership to deliver Out & About cultural activity.

# Groundwork South and North Tyneside Limited

## Trustees Report

### *TEN North East*

- Children in Need Main Grant to deliver emotional wellbeing support for young carers.
- National Lottery Community Fund to deliver respite support activities for young carers and families.
- The Balingier Charitable Trust to support the delivery of respite support services for young carers.
- Holiday Activity and Food Fund, in partnership with South Tyneside Council, we delivered a programme of targeted clubs through school holidays to targets families.
- LGA Foundation to support activity costs for respite services for young carers.
- Consortium Partnership led by Newcastle Carers via North East Combined Authority to support young carers in schools.

In addition, the Charitable Company continued to deliver a number of service contracts, these service contracts allowed the Charitable Company to deliver quality outcomes through inspiring people and creating greener spaces for people to live, work and play.

### 3.2 Contribution to Local Communities

Set out below are some of the ways in which our activities have helped the communities we serve:

- **Empowering Fair and Sustainable Communities Reducing Inequalities** by supporting and enabling individuals and communities.
- **Creating Better Places** by developing accessible high quality built and green spaces that provide natural capital and improve wellbeing.
- **Raising Aspirations by Creating Better Prospects.** Supporting individuals and families to be resilient, confident, ambitious and independent.
- **Enriching Lives through Environment, Culture and Heritage.** Inspiring engagement and discovery informed by our past, present and future.

# **Groundwork South and North Tyneside Limited**

## **Trustees Report**

### **3.3 External Challenging Factors Relevant to Achieve Objectives**

The continued reduction of public sector funding has had an effect on grants provided to the charitable sector. This alongside increased demand on grant funding bodies has resulted in fewer grant applications being funded and therefore the Charitable Company continues to look at self-financing models and the introduction of financial contribution to selected community based services.

Through the emerging new devolution deal under the North East Combined Authority covering the 7 northern LA areas, there is the potential to explore new funding and commissioning frameworks to further our objectives, where delivery will align with the Combined Authority priorities.

### **3.4 Financial Performance**

The Charitable Company's turnover was £2,931,913 including the income through Beacon Partnership compared to £2,553,579 last year.

The statutory position for the year shows a loss of £52,298 however, this loss includes £103,777 depreciation linked to our asset portfolio.

During the financial year the Charitable Group secured contracts, service level agreements and grant funding from many organisations including Central Government, North Tyneside Council, South Tyneside Metropolitan Borough Council, South Tyneside Public Health, National Lottery Community Fund, Sage Foundation, Land Trust, Ward Improvement Fund, National Grid, The Ballinger Trust, Tesco, Agility Eco, Masonic Charitable Trust, Community Foundation and LGA Foundation.

The Charitable Group wishes to thank the partnership organisations that have supported the Charity over the past year.

At the end of the year the Charitable Group held reserves of £2,697,422 (2024: £2,749,720).

Held as part of the reserves are freehold and leasehold properties totalling £2,113,145 as part of the total fixed assets totalling £2,189,860. The charitable group holds free net current assets as of 31st March 2025 totalling £333,401 made up of £270,926 general funds and £62,475 designated funds (2024 free net reserves £428,451).

### **3.5 Asset Management**

The Charitable Company undertook a detailed asset review of all freehold and leasehold assets held within the fixed assets.

The Trustees remain aware that efforts will continue to be required to cut fixed asset costs and asset reduce overheads and to benefit from economies of scale through potential further development opportunities within the trading subsidiary. The Charitable Company will also continue developing its service delivery utilising our community based assets as service hubs.

# **Groundwork South and North Tyneside Limited**

## **Trustees Report**

### **3.6 Investment policy and performance**

The Trustees have the power to invest in such assets as they see fit.

The Charitable Company may need to react quickly to particular needs and therefore has a policy of keeping surplus liquid funds in short term deposits which can be readily accessed.

The Board undertake an annual review of the investment strategy / policy to ensure that funds are utilised and provide the most beneficial return to the charitable company, this annual review also informs the reserves policy.

### **3.7 Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

## **4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Charitable Company as part of its annual Business Plan sets out a number of Financial Objectives that are overseen by Resources Committee. These objectives relate to the level of working capital, total funds available, management of higher risk activities and investments. The committee measure performance against these objectives on a quarterly basis with a report presented to the Board of Trustees.

# **Groundwork South and North Tyneside Limited**

## **Trustees Report**

### **4.1 Principal risks and uncertainties**

The Charitable Company produces an annual Risk Register that sets out the principle risks to the organisation and the necessary controls required to manage such risks. The risk register is managed by the Executive Team with an annual report presented to the Board.

The main risks to the charitable company are relationship management of key stakeholder, effective management of health & safety, continued reduction in government funding and management of higher risk activities. Below is a summary of the main areas of risk, for which we have the necessary strategies / risk management plans in place:

- Failure to secure management of new programmes, threatening the long-term viability of the organisation.
- An unexpected withdrawal of funding from a major partner.
- A major personal incident health & safety or safeguarding occurring on local projects.
- Non-compliance to data security, health & safety and environmental regulations.
- Ongoing change management within the Groundwork Federation impacting on the Federation's ability to deliver national programmes.

### **4.2 Risk Management**

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that steps can be taken to lessen these risks. These risks are linked to the above principal risks and uncertainties.

### **4.3 Reserves Policy**

The Trustees have reviewed the Charitable Company's reserves requirements in accordance with the guidelines issued by the Charity Commission for England and Wales.

In formulating the policy, the Trustees have taken into account the Charitable Company's expenditure commitments and the sources, reliability and timing of its income flows. In addition, future needs, opportunities, contingencies and risks have been analysed and assessed.

The Trustees agree on an annual basis the agreed working capital requirement for the Charitable Company that enables the organisation to operate in-line with the reserves policy and guidelines.

### **4.4 Pay Policy for Senior Staff**

The Resource Committee of the Board are responsible for the setting of remuneration for the organisation's staff including the Executive Team. The organisation has a robust annual appraisal process that monitors past performance and sets the forthcoming year's key performance indicators and contribution to the Business Plan.

# Groundwork South and North Tyneside Limited

## Trustees Report

### 5. PLANS FOR FUTURE PERIODS - FUTURE DEVELOPMENTS

Back in 2023, The charitable company adopted the Groundwork Federation strategy that sets out its plans and vision for the future of the charitable company, below is a summary of the strategy:

Over the next few years, we will continue to provide services that enable us to deliver our vision of 'Changing Places and Changing Lives'. We will do this by embedding innovation and sustainability in all we do, maximising impact and outcomes.

Groundwork is a federation of charities mobilising practical community action on poverty and the environment across the UK. 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.
- No-one is held back by their background or circumstances.

We believe that working with local communities to build their resilience is vital in facing up to the challenges of a globalised economy and a changing climate.

#### Why this Matters:

- 89% of community groups say their work is needed more than ever, but more than half say it has got harder for them to operate in the last ten years.
- 75% of people say they feel unable to influence decisions about what happens in their local area. Nearly half of young people<sup>2</sup> say they feel they don't belong to their neighbourhood.
- 2.69 million people do not live within a ten minute walk of a green space. Those who are at greatest risk of poor physical and mental health are more likely to miss out on the benefits of green space.
- Around half a million young people were 'economically inactive' - not in learning or employment and not looking for work – before Covid-19, a number which has been slowly rising.
- One in ten households in England is experiencing fuel poverty, rising to almost one in five for ethnic minority households.
- 76% of adults say they are concerned about climate change.
- 40% of young people admit to feeling 'overwhelmed' by the climate crisis.
- 90% of SMEs said being sustainable was important for their business but more than half said they were finding it difficult to take action.

#### Our Impact and Change we deliver:

Our work supports people facing multiple challenges – living in isolation or with significant health issues, in communities with few facilities, limited employment prospects and vulnerable to extreme weather events.

## Groundwork South and North Tyneside Limited

### Trustees Report

- We create better places - Making communities greener, safer and healthier by enabling people to work together to bring about change in their local area.
- We improve people's prospects - Increasing the confidence, skills, wellbeing and employability of those struggling in education or out of work.
- We promote greener choices - Helping people and businesses reduce their environmental impact, cut waste, save money and live more healthily

To support the plans for the future, a number of Key Deliverables have been agreed by the Trustees' of the Charitable Company on an annual basis. The Charitable Company holds an annual Business Development Session where the Trustees and Executive Team review existing strategic direction and activities and set the future direction of the charitable company.

The Charitable Company is looking to expand its charitable operations especially with our communities team linked to wider education services and community events. Further, through the integration of TEN North East into Groundwork, the charitable company hopes to expand its training & development and young carers services as well as working across the Groundwork Federation especially through Groundwork in the North to develop enhanced collaboration and business development.

#### ***Fundraising disclosures***

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

#### ***Public benefit***

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

# Groundwork South and North Tyneside Limited

## Trustees Report

### Statement of trustees' responsibilities

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Company law requires the Trustees to prepare financial statements for each financial year. 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 Charitable Company 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 in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

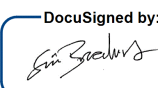
### Disclosure of information to auditor

Each trustee has taken 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 the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

### Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 11 December 2025 and signed on its behalf by:

DocuSigned by:  
  
 931AE575A0E44D6.....  
 S Broadhurst  
 Trustee

## **Groundwork South and North Tyneside Limited**

### **Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited**

#### **Opinion**

We have audited the financial statements of Groundwork South and North Tyneside Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, Statement of Cash Flows, 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 group's and parent charity's affairs as at 31 March 2025 and of the group's 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 group 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 group's ability to continue as a going concern for a period of at least twelve months from when the 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.

## **Groundwork South and North Tyneside Limited**

### **Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other 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 Trustees' Report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' Report 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 14), 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.

## Groundwork South and North Tyneside Limited

### Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited

#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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. 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.

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

## Groundwork South and North Tyneside Limited

### Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: compliance with the UK Companies Act, and the Charities Act.

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 parent 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 group'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 parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

*Simon Brown*

A919E10F4B2841D.....

Simon Brown BA ACA DChA (Senior Statutory Auditor)  
For and on behalf of Azets Audit Services  
Chartered Accountants  
Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

11 December 2025

Date:.....

Azets Audit Services is a trading name of Azets Audit Services Limited.

## Groundwork South and North Tyneside Limited

### Consolidated Statement of Financial Activities for the Year Ended 31 March 2025

#### (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

|                                    | Note | Unrestricted<br>£  | Restricted<br>£  | Total<br>2025<br>£ | Total<br>2024<br>£ |
|------------------------------------|------|--------------------|------------------|--------------------|--------------------|
| <b>Income and Endowments from:</b> |      |                    |                  |                    |                    |
| Donations and legacies             | 3    | 87,707             | -                | 87,707             | 30,547             |
| Charitable activities              | 4    | 2,125,810          | 466,719          | 2,592,529          | 2,269,828          |
| Other trading activities           | 5    | 200,202            | -                | 200,202            | 162,329            |
| Investment income                  | 6    | 51,475             | -                | 51,475             | 71,419             |
| Other income                       | 7    | -                  | -                | -                  | 19,456             |
| Total Income                       |      | <u>2,465,194</u>   | <u>466,719</u>   | <u>2,931,913</u>   | <u>2,553,579</u>   |
| <b>Expenditure on:</b>             |      |                    |                  |                    |                    |
| Raising funds                      |      | (193,731)          | -                | (193,731)          | (147,053)          |
| Charitable activities              | 8    | <u>(2,407,943)</u> | <u>(382,537)</u> | <u>(2,790,480)</u> | <u>(2,435,552)</u> |
| Total Expenditure                  |      | <u>(2,601,674)</u> | <u>(382,537)</u> | <u>(2,984,211)</u> | <u>(2,582,605)</u> |
| Net (expenditure)/income           |      | (136,480)          | 84,182           | (52,298)           | (29,026)           |
| Transfers between funds            |      | <u>(4,474)</u>     | <u>4,474</u>     | <u>-</u>           | <u>-</u>           |
| Net movement in funds              |      | (140,954)          | 88,656           | (52,298)           | (29,026)           |
| <b>Reconciliation of funds</b>     |      |                    |                  |                    |                    |
| Total funds brought forward        |      | <u>2,660,407</u>   | <u>89,313</u>    | <u>2,749,720</u>   | <u>2,778,746</u>   |
| Total funds carried forward        | 24   | <u>2,519,453</u>   | <u>177,969</u>   | <u>2,697,422</u>   | <u>2,749,720</u>   |

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

The funds breakdown for 2024 is shown in note 24.

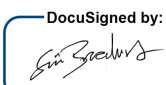
# Groundwork South and North Tyneside Limited

(Registration number: 02592100)

## Consolidated Balance Sheet as at 31 March 2025

|                                                                | Note | 2025<br>£ | 2024<br>£ |
|----------------------------------------------------------------|------|-----------|-----------|
| <b>Fixed assets</b>                                            |      |           |           |
| Tangible assets                                                | 15   | 2,189,860 | 2,245,950 |
| <b>Current assets</b>                                          |      |           |           |
| Stocks                                                         | 17   | 3,712     | 3,140     |
| Debtors                                                        | 18   | 251,847   | 404,354   |
| Cash at bank and in hand                                       | 19   | 579,476   | 491,376   |
|                                                                |      | 835,035   | 898,870   |
| <b>Creditors: Amounts falling due within one year</b>          | 20   | (323,665) | (381,106) |
| <b>Net current assets</b>                                      |      | 511,370   | 517,764   |
| <b>Total assets less current liabilities</b>                   |      | 2,701,230 | 2,763,714 |
| <b>Creditors: Amounts falling due after more than one year</b> | 21   | (3,808)   | (13,994)  |
| <b>Net assets</b>                                              |      | 2,697,422 | 2,749,720 |
| <b>Funds of the group:</b>                                     |      |           |           |
| <b>Restricted</b>                                              |      | 177,969   | 89,313    |
| <b>Unrestricted income funds</b>                               |      |           |           |
| Designated funds                                               |      | 62,475    | 85,394    |
| General funds                                                  |      | 2,456,978 | 2,575,013 |
| <b>Total unrestricted funds</b>                                |      | 2,519,453 | 2,660,407 |
| <b>Total funds</b>                                             | 24   | 2,697,422 | 2,749,720 |

The financial statements on pages 19 to 46 were approved by the trustees, and authorised for issue on 11 December 2025 and signed on their behalf by:

DocuSigned by:  
  
 .....831AE575A0E44D6.....  
 S Broadhurst  
 Trustee

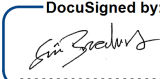
# Groundwork South and North Tyneside Limited

(Registration number: 02592100)

## Balance Sheet as at 31 March 2025

|                                                                | Note | 2025<br>£        | 2024<br>£        |
|----------------------------------------------------------------|------|------------------|------------------|
| <b>Fixed assets</b>                                            |      |                  |                  |
| Tangible assets                                                | 15   | 2,189,860        | 2,245,950        |
| Investments                                                    | 16   | <u>3</u>         | <u>3</u>         |
|                                                                |      | <u>2,189,863</u> | <u>2,245,953</u> |
| <b>Current assets</b>                                          |      |                  |                  |
| Stocks                                                         | 17   | -                | 1                |
| Debtors                                                        | 18   | 278,637          | 438,785          |
| Cash at bank and in hand                                       | 19   | <u>442,339</u>   | <u>388,095</u>   |
|                                                                |      | 720,976          | 826,881          |
| <b>Creditors: Amounts falling due within one year</b>          | 20   | <u>(295,365)</u> | <u>(358,229)</u> |
| <b>Net current assets</b>                                      |      | <u>425,611</u>   | <u>468,652</u>   |
| <b>Total assets less current liabilities</b>                   |      | 2,615,474        | 2,714,605        |
| <b>Creditors: Amounts falling due after more than one year</b> | 21   | <u>(3,808)</u>   | <u>(13,994)</u>  |
| <b>Net assets</b>                                              |      | <u>2,611,666</u> | <u>2,700,611</u> |
| <b>Funds of the charity:</b>                                   |      |                  |                  |
| <b>Restricted</b>                                              |      | <u>147,706</u>   | <u>81,718</u>    |
| <b>Unrestricted income funds</b>                               |      |                  |                  |
| Designated funds                                               |      | 62,475           | 85,394           |
| Unrestricted funds                                             |      | <u>2,401,485</u> | <u>2,533,499</u> |
| <b>Total unrestricted funds</b>                                |      | <u>2,463,960</u> | <u>2,618,893</u> |
| <b>Total funds</b>                                             | 24   | <u>2,611,666</u> | <u>2,700,611</u> |

The financial statements on pages 19 to 46 were approved by the trustees, and authorised for issue on 11 December 2025 and signed on their behalf by:

DocuSigned by:  
  
 .....9317AE575A0E44D6...  
 S Broadhurst  
 Trustee

## Groundwork South and North Tyneside Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 March 2025

|                                                      | Note | 2025<br>£             | 2024<br>£             |
|------------------------------------------------------|------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>          |      |                       |                       |
| Net cash expenditure                                 |      | (52,298)              | (29,026)              |
| <b>Adjustments to cash flows from non-cash items</b> |      |                       |                       |
| Depreciation                                         |      | 103,777               | 108,449               |
| Investment income                                    | 6    | <u>(51,475)</u>       | <u>(71,419)</u>       |
|                                                      |      | 4                     | 8,004                 |
| <b>Working capital adjustments</b>                   |      |                       |                       |
| (Increase)/decrease in stocks                        | 17   | (572)                 | 5,440                 |
| Decrease in debtors                                  | 18   | 152,507               | 144,021               |
| Decrease in creditors                                | 20   | <u>(57,441)</u>       | <u>(260,900)</u>      |
| Net cash flows from operating activities             |      | <u>94,498</u>         | <u>(103,435)</u>      |
| <b>Cash flows from investing activities</b>          |      |                       |                       |
| Interest receivable and similar income               | 6    | 51,475                | 71,419                |
| Purchase of tangible fixed assets                    | 15   | <u>(47,687)</u>       | <u>(59,699)</u>       |
| Net cash flows from investing activities             |      | 3,788                 | 11,720                |
| <b>Cash flows from financing activities</b>          |      |                       |                       |
| Repayment of loans and borrowings                    | 20   | <u>(10,186)</u>       | <u>(9,941)</u>        |
| Net increase/(decrease) in cash and cash equivalents |      | 88,100                | (101,656)             |
| Cash and cash equivalents at 1 April                 |      | <u>491,376</u>        | <u>593,032</u>        |
| Cash and cash equivalents at 31 March                |      | <u><u>579,476</u></u> | <u><u>491,376</u></u> |

All of the cash flows are derived from continuing operations during the above two periods.

# Groundwork South and North Tyneside Limited

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

### 1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. There are three members, each of whom have undertaken to contribute an amount not exceeding £1 in the event of a winding up. The members are:

Federation of Groundwork Trusts  
South Tyneside Metropolitan Borough Council  
North East Chamber of Commerce, Trade and Industry

The address of its registered office is: The Eco Centre, Windmill Way, Hebburn, Tyne & Wear, NE31 1SR

### 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 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

#### Basis of preparation

Groundwork South and North Tyneside meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The functional currency of the group is the £ Sterling.

#### Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2025.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit after tax for the financial year of £88,945 (2024 - £3,014 deficit)

# Groundwork South and North Tyneside Limited

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

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

### Going concern

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group.

### Estimation uncertainty and judgements

In the application of the Trust's accounting policies, the directors 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.

There are no significant accounting estimates which are considered to materially impact the financial statements.

### Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

### 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.

# Groundwork South and North Tyneside Limited

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

### ***Donated services and facilities***

Where services or facilities are provided to the charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at its fair value unless its fair value cannot be reliably measured, then at the cost to the donor or the resale value of goods that are to be sold.

### ***Investment income***

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

### **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 include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

# Groundwork South and North Tyneside Limited

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

### Government grants

Government grants are recognised based on the performance model and are measured at the fair value of the asset received or receivable. Grants are recognised in income where there are no performance conditions. If there are such performance conditions, then the income is deferred and recognised as deferred income within creditors.

### Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### Tangible fixed assets

Individual fixed assets costing £1,000.00 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      |
|-----------------------------|-----------------------------------|
| Land and Buildings          | 2% Straight Line                  |
| Plant and Machinery         | 6.67% straight line               |
| Motor vehicles              | 20% straight line                 |
| Other Tangible fixed assets | between 20% and 40% straight line |

### Stock

Stock is valued at the lower of cost and net realisable value.

### 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 comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **Groundwork South and North Tyneside Limited**

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

#### **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.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the group.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

## Groundwork South and North Tyneside Limited

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

#### Pensions and other post retirement obligations

The group operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

The Charitable Company also operates a defined benefit contribution scheme through The Federation of Groundwork Trusts which is currently administered by Aegon Scottish Equitable. The scheme is available to all employees. The assets of the scheme are held separately from those of the Charitable Company. The annual contributions payable are charged to the statement of financial activities.

A few current and previous employees of the Charitable Company participate in Tyne and Wear Pension fund, a defined benefit scheme. However, the scheme is a multiple employer scheme and the Charitable Company is unable to identify its share of the underlying assets and liabilities. Contributions payable to the scheme are charged to the income and expenditure account so as to spread the cost of the pension over the employees' expected working life. The pension charge is calculated on the basis of actuarial advice. The contributions are invested separately from the Charitable Company's Assets.

#### Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### 3 Income from donations and legacies

|                                                       | Unrestricted<br>funds<br>General<br>£ | Restricted<br>funds<br>£ | Total<br>2025<br>£ |
|-------------------------------------------------------|---------------------------------------|--------------------------|--------------------|
| Donations and legacies;                               |                                       |                          |                    |
| Donations from companies, trusts and similar proceeds | 10,000                                | -                        | 10,000             |
| Donations                                             | 15,551                                | -                        | 15,551             |
| Regular giving and capital donations                  | 205                                   | -                        | 205                |
| Donated services and facilities                       | 61,951                                | -                        | 61,951             |
|                                                       | <u>87,707</u>                         | <u>-</u>                 | <u>87,707</u>      |

## Groundwork South and North Tyneside Limited

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

|                                                       | Unrestricted funds<br>General<br>£ | Total<br>2024<br>£ |
|-------------------------------------------------------|------------------------------------|--------------------|
| Donations and legacies;                               |                                    |                    |
| Donations from companies, trusts and similar proceeds | 10,000                             | 10,000             |
| Donations                                             | 20,547                             | 20,547             |
|                                                       | <u>30,547</u>                      | <u>30,547</u>      |

#### 4 Income from charitable activities

|                                       | Unrestricted funds<br>Designated<br>£ | Unrestricted funds<br>General<br>£ | Restricted funds<br>£ | Total<br>2025<br>£ |
|---------------------------------------|---------------------------------------|------------------------------------|-----------------------|--------------------|
| Project Income - Education-Designated | 849,135                               | -                                  | -                     | 849,135            |
| Ten North East Activities             | -                                     | 135,344                            | 139,849               | 275,193            |
| Better Places                         | -                                     | 177,591                            | 13,382                | 190,973            |
| Corporate Services                    | -                                     | 164,732                            | -                     | 164,732            |
| Enriching Lives                       | -                                     | 582,238                            | 244,175               | 826,413            |
| Sustainable Communities               | -                                     | 368,543                            | 69,314                | 437,857            |
|                                       | <u>849,135</u>                        | <u>1,428,448</u>                   | <u>466,720</u>        | <u>2,744,303</u>   |
|                                       | Unrestricted funds<br>Designated<br>£ | Unrestricted funds<br>General<br>£ | Restricted funds<br>£ | Total<br>2024<br>£ |
| Project Income - Education-Designated | 85,394                                | -                                  | -                     | 85,394             |
| Ten North East Activities             | -                                     | 6,800                              | 98,416                | 105,216            |
| Better Places                         | -                                     | 158,617                            | 17,321                | 175,938            |
| Corporate Services                    | -                                     | 104,011                            | -                     | 104,011            |
| Enriching Lives                       | -                                     | 552,405                            | 142,105               | 694,510            |
| Raising Aspirations                   | -                                     | 21,581                             | 718,025               | 739,606            |
| Sustainable Communities               | -                                     | 220,429                            | 144,724               | 365,153            |
|                                       | <u>85,394</u>                         | <u>1,063,843</u>                   | <u>1,120,591</u>      | <u>2,269,828</u>   |

# Groundwork South and North Tyneside Limited

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

### 5 Income from other trading activities

|                                | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>2025<br/>£</b> |
|--------------------------------|-------------------------------------------------|-----------------------------|
| Income from trading subsidiary |                                                 |                             |
| Trading income - Windmill      | 200,202                                         | 200,202                     |
|                                | <u>200,202</u>                                  | <u>200,202</u>              |
|                                | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>2024<br/>£</b> |
| Income from trading subsidiary |                                                 |                             |
| Trading income - Windmill      | 162,329                                         | 162,329                     |
|                                | <u>162,329</u>                                  | <u>162,329</u>              |

### 6 Investment income

|                                           | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>2025<br/>£</b> |
|-------------------------------------------|-------------------------------------------------|-----------------------------|
| Interest receivable and similar income;   |                                                 |                             |
| Interest receivable on bank deposits      | 3,727                                           | 3,727                       |
| Other income from fixed asset investments | 47,748                                          | 47,748                      |
|                                           | <u>51,475</u>                                   | <u>51,475</u>               |
|                                           | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>2024<br/>£</b> |
| Interest receivable and similar income;   |                                                 |                             |
| Interest receivable on bank deposits      | 3,228                                           | 3,228                       |
| Other income from fixed asset investments | 68,191                                          | 68,191                      |
|                                           | <u>71,419</u>                                   | <u>71,419</u>               |

**Groundwork South and North Tyneside Limited**

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

**7 Other income**

|              | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>2024<br/>£</b> |
|--------------|-------------------------------------------------|-----------------------------|
| Other income | <u>19,456</u>                                   | <u>19,456</u>               |

Other income is recharges for staff time and £10,000 rent rebate for Windmill Sustainable Business Solutions Limited.

## Groundwork South and North Tyneside Limited

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

#### 8 Expenditure on charitable activities

|                           | Unrestricted funds           |                        | Restricted funds | Total 2025       |
|---------------------------|------------------------------|------------------------|------------------|------------------|
|                           | Designated                   | General                |                  |                  |
|                           | £                            | £                      | £                | £                |
| Ten North East Activities | -                            | 130,565                | 121,656          | 252,221          |
| Better Places             | -                            | 135,049                | 12,253           | 147,302          |
| Corporate Services        | -                            | 422,927                | -                | 422,927          |
| Enriching Lives           | -                            | 516,338                | 163,960          | 680,298          |
| Raising Aspirations       | 872,054                      | -                      | -                | 872,054          |
| Sustainable Communities   | -                            | 251,496                | 84,669           | 336,165          |
| Support Costs             | -                            | 79,503                 | -                | 79,503           |
|                           | <u>872,054</u>               | <u>1,535,878</u>       | <u>382,538</u>   | <u>2,790,470</u> |
|                           | Unrestricted funds           |                        | Restricted funds | Total 2024       |
|                           |                              | General                |                  |                  |
|                           |                              | £                      | £                | £                |
| Ten North East Activities |                              | 18,548                 | 115,394          | 133,942          |
| Better Places             |                              | 159,124                | 17,281           | 176,405          |
| Corporate Services        |                              | 191,075                | -                | 191,075          |
| Enriching Lives           |                              | 600,149                | 166,373          | 766,522          |
| Raising Aspirations       |                              | 17,270                 | 694,897          | 712,167          |
| Sustainable Communities   |                              | 227,457                | 150,775          | 378,232          |
| Support Costs             |                              | 77,209                 | -                | 77,209           |
|                           |                              | <u>1,290,832</u>       | <u>1,144,720</u> | <u>2,435,552</u> |
|                           | Activity undertaken directly | Activity support costs | 2025             |                  |
|                           | £                            | £                      | £                |                  |
| Ten North East Activities | 252,221                      | -                      | 252,221          |                  |
| Better Places             | 147,302                      | 9,935                  | 157,237          |                  |
| Corporate Services        | 591,908                      | 15,909                 | 607,817          |                  |
| Enriching Lives           | 680,298                      | 32,926                 | 713,224          |                  |
| Raising Aspirations       | 703,073                      | -                      | 703,073          |                  |
| Sustainable Communities   | 336,165                      | 20,733                 | 356,898          |                  |
|                           | <u>2,710,967</u>             | <u>79,503</u>          | <u>2,790,470</u> |                  |

## Groundwork South and North Tyneside Limited

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

|                           | Activity<br>undertaken<br>directly<br>£ | Activity<br>support<br>costs<br>£ | 2024<br>£        |
|---------------------------|-----------------------------------------|-----------------------------------|------------------|
| Ten North East Activities | 133,942                                 | -                                 | 133,942          |
| Better Places             | 176,405                                 | 10,895                            | 187,300          |
| Corporate Services        | 191,075                                 | 11,746                            | 202,821          |
| Enriching Lives           | 766,522                                 | 37,944                            | 804,466          |
| Raising Aspirations       | 712,167                                 | 1,483                             | 713,650          |
| Sustainable Communities   | 378,232                                 | 15,141                            | 393,373          |
|                           | <u>2,358,343</u>                        | <u>77,209</u>                     | <u>2,435,552</u> |

In addition to the expenditure analysed above, there are also governance costs of £13,000 (2024 - £12,500) which relate directly to charitable activities. See note 9 for further details.

#### 9 Analysis of governance and support costs

##### Support costs allocated to charitable activities

|                  | Employment<br>£ | Business<br>£ | Land<br>£     | Total<br>2025<br>£ |
|------------------|-----------------|---------------|---------------|--------------------|
| Premises Costs   | -               | -             | 74,351        | 74,351             |
| Bank charges     | -               | 5,152         | -             | 5,152              |
| Governance costs | 13,000          | -             | -             | 13,000             |
|                  | <u>13,000</u>   | <u>5,152</u>  | <u>74,351</u> | <u>92,503</u>      |

## Groundwork South and North Tyneside Limited

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

|                  | Employment<br>£ | Business<br>£ | Land<br>£     | Total<br>2024<br>£ |
|------------------|-----------------|---------------|---------------|--------------------|
| Premises Costs   | -               | -             | 72,943        | 72,943             |
| Bank charges     | -               | 4,266         | -             | 4,266              |
| Governance costs | 12,500          | -             | -             | 12,500             |
|                  | <u>12,500</u>   | <u>4,266</u>  | <u>72,943</u> | <u>89,709</u>      |

The only support costs not allocated to projects are the building and office equipment deprectaion and Bank charges.

#### 10 Net incoming/outgoing resources

Net outgoing resources for the year include:

|                                    | 2025<br>£    | 2024<br>£    |
|------------------------------------|--------------|--------------|
| Audit fees                         | 13,000       | 12,500       |
| Other non-audit services           | 4,600        | 4,750        |
| Depreciation of fixed assets       | 103,777      | 108,449      |
| Independent examination subsidiary | <u>2,000</u> | <u>1,950</u> |

#### 11 Trustees remuneration and expenses

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

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

## Groundwork South and North Tyneside Limited

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

#### 12 Staff costs

The aggregate payroll costs were as follows:

|                                          | 2025<br>£        | 2024<br>£        |
|------------------------------------------|------------------|------------------|
| <b>Staff costs during the year were:</b> |                  |                  |
| Wages and salaries                       | 1,637,855        | 1,384,131        |
| Social security costs                    | 123,699          | 97,514           |
| Pension costs                            | 89,974           | 68,975           |
|                                          | <u>1,851,528</u> | <u>1,550,620</u> |

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

|           | 2025<br>No | 2024<br>No |
|-----------|------------|------------|
| Full time | <u>56</u>  | <u>58</u>  |

The number of employees whose emoluments fell within the following bands was:

|                   | 2025<br>No | 2024<br>No |
|-------------------|------------|------------|
| £70,001 - £80,000 | <u>1</u>   | <u>1</u>   |

The total employee benefits of the key management personnel of the group were £280,612 (2024 - £303,629).

#### 13 Auditors' remuneration

|                                   | 2025<br>£     | 2024<br>£     |
|-----------------------------------|---------------|---------------|
| Audit of the financial statements | <u>13,000</u> | <u>12,500</u> |

#### 14 Taxation

The group is a registered charity and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## Groundwork South and North Tyneside Limited

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

#### 15 Tangible fixed assets

##### Group

|                         | Land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | TEN Fixtures<br>£ | Total<br>£ |
|-------------------------|----------------------------|-----------------------------|------------------------|-------------------|------------|
| <b>Cost</b>             |                            |                             |                        |                   |            |
| At 1 April 2024         | 5,605,996                  | 229,504                     | 70,768                 | 103,368           | 6,009,636  |
| Additions               | 43,194                     | -                           | -                      | 4,493             | 47,687     |
| Disposals               | -                          | (164,911)                   | -                      | (2,738)           | (167,649)  |
| At 31 March 2025        | 5,649,190                  | 64,593                      | 70,768                 | 105,123           | 5,889,674  |
| <b>Depreciation</b>     |                            |                             |                        |                   |            |
| At 1 April 2024         | 3,461,694                  | 221,368                     | 31,617                 | 49,007            | 3,763,686  |
| Charge for the year     | 74,351                     | 3,180                       | 14,319                 | 11,927            | 103,777    |
| Eliminated on disposals | -                          | (164,911)                   | -                      | (2,738)           | (167,649)  |
| At 31 March 2025        | 3,536,045                  | 59,637                      | 45,936                 | 58,196            | 3,699,814  |
| <b>Net book value</b>   |                            |                             |                        |                   |            |
| At 31 March 2025        | 2,113,145                  | 4,956                       | 24,832                 | 46,927            | 2,189,860  |
| At 31 March 2024        | 2,144,302                  | 8,136                       | 39,151                 | 54,361            | 2,245,950  |

Included within the net book value of land and buildings above is £1,352,644 (2024 - £1,401,491) in respect of freehold land and buildings and £760,501 (2024 - £742,811) in respect of leaseholds.

## Groundwork South and North Tyneside Limited

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

#### Charity

|                         | Land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Other<br>tangible fixed<br>asset<br>£ | Total<br>£       |
|-------------------------|----------------------------|-----------------------------|------------------------|---------------------------------------|------------------|
| <b>Cost</b>             |                            |                             |                        |                                       |                  |
| At 1 April 2024         | 5,605,996                  | 212,599                     | 70,768                 | 79,857                                | 5,969,220        |
| Additions               | 43,194                     | -                           | -                      | 4,493                                 | 47,687           |
| Disposals               | -                          | (164,911)                   | -                      | (2,738)                               | (167,649)        |
| At 31 March 2025        | <u>5,649,190</u>           | <u>47,688</u>               | <u>70,768</u>          | <u>81,612</u>                         | <u>5,849,258</u> |
| <b>Depreciation</b>     |                            |                             |                        |                                       |                  |
| At 1 April 2024         | 3,461,694                  | 204,463                     | 31,617                 | 25,496                                | 3,723,270        |
| Charge for the year     | 74,351                     | 3,180                       | 14,319                 | 11,927                                | 103,777          |
| Eliminated on disposals | -                          | (164,911)                   | -                      | (2,738)                               | (167,649)        |
| At 31 March 2025        | <u>3,536,045</u>           | <u>42,732</u>               | <u>45,936</u>          | <u>34,685</u>                         | <u>3,659,398</u> |
| <b>Net book value</b>   |                            |                             |                        |                                       |                  |
| At 31 March 2025        | <u>2,113,145</u>           | <u>4,956</u>                | <u>24,832</u>          | <u>46,927</u>                         | <u>2,189,860</u> |
| At 31 March 2024        | <u>2,144,302</u>           | <u>8,136</u>                | <u>39,151</u>          | <u>54,361</u>                         | <u>2,245,950</u> |

The Charitable Company has two commercial property partnerships that contribute to the fixed assets of the Charitable Company, below is an overview of the partnerships.

One Trinity Green (OTG) - The Charitable Company, in partnership with South Tyneside Council and with ERDF funding support, constructed OTG in 2012 to support the regeneration of the Laygate area of South Shields. The Charitable Company has a 25% share in OTG that equates to £728,250 of Land and Buildings within the financial statements; and

The Beacon - The Charitable Company, in partnership with Centre West Charitable Trust and with ERDF funding support, constructed The Beacon Community Enterprise Hub in 2011/12. The 125 year collaboration aims to assist in the regeneration of the West End of Newcastle. The Charitable Company has a 42.39% share in The Beacon that equates to £624,394 of Land and Buildings within the financial statements.

Included within the net book value of land and buildings above is £1,352,644 (2024 - £1,401,491) in respect of freehold land and buildings and £760,501 (2024 - £742,811) in respect of leaseholds.

Groundwork South and North Tyneside Limited

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

16 Fixed asset investments

|                                                          |                                 |            |
|----------------------------------------------------------|---------------------------------|------------|
| Group                                                    | 2025<br>£                       | 2024<br>£  |
| Shares in group undertakings and participating interests | -                               | -          |
| Charity                                                  | 2025<br>£                       | 2024<br>£  |
| Shares in group undertakings and participating interests | <u>3</u>                        | <u>3</u>   |
| Shares in group undertakings and participating interests |                                 |            |
|                                                          | Subsidiary<br>undertakings<br>£ | Total<br>£ |
| Cost                                                     |                                 |            |
| At 1 April 2024                                          | <u>3</u>                        | <u>3</u>   |
| At 31 March 2025                                         | <u>3</u>                        | <u>3</u>   |
| Net book value                                           |                                 |            |
| At 31 March 2025                                         | <u>3</u>                        | <u>3</u>   |
| At 31 March 2024                                         | <u>3</u>                        | <u>3</u>   |

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

## Groundwork South and North Tyneside Limited

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

| Undertaking                                     | Country of incorporation | Holding     | Proportion of voting rights and shares held |      |
|-------------------------------------------------|--------------------------|-------------|---------------------------------------------|------|
|                                                 |                          |             | 2025                                        | 2024 |
| Subsidiary undertakings                         |                          |             |                                             |      |
| Windmill Sustainable Business Solutions Limited | England and Wales        | Equity      | 100%                                        | 100% |
| Ten North East Limited                          | England and Wales        | Sole Member | 100%                                        | 100% |

#### Subsidiaries

The loss for the financial period of Windmill Sustainable Business Solutions Limited was £6,471 (2024 - surplus of £2,724) and the aggregate amount of capital and reserves at the end of the period was £6,862 (2024 - £391).

The surplus for the financial period of Ten North East Limited was £30,175 (2024 - surplus of (£13,537)) and the aggregate amount of capital and reserves at the end of the period was £78,895 (2024 - £48,720).

## Groundwork South and North Tyneside Limited

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

#### 17 Stock

|                  | Group        |              | Charity   |           |
|------------------|--------------|--------------|-----------|-----------|
|                  | 2025<br>£    | 2024<br>£    | 2025<br>£ | 2024<br>£ |
| Work in progress | <u>3,712</u> | <u>3,140</u> | <u>-</u>  | <u>1</u>  |

#### 18 Debtors

|                             | Group          |                | Charity        |                |
|-----------------------------|----------------|----------------|----------------|----------------|
|                             | 2025<br>£      | 2024<br>£      | 2025<br>£      | 2024<br>£      |
| Trade debtors               | 117,941        | 217,239        | 91,415         | 215,303        |
| Due from group undertakings | -              | -              | 54,952         | 64,654         |
| Prepayments                 | 32,363         | 24,634         | 31,215         | 14,634         |
| Accrued income              | 78,552         | 109,155        | 78,552         | 91,355         |
| Other debtors               | <u>22,991</u>  | <u>53,326</u>  | <u>22,503</u>  | <u>52,839</u>  |
|                             | <u>251,847</u> | <u>404,354</u> | <u>278,637</u> | <u>438,785</u> |

#### 19 Cash and cash equivalents

|              | Group          |                | Charity        |                |
|--------------|----------------|----------------|----------------|----------------|
|              | 2025<br>£      | 2024<br>£      | 2025<br>£      | 2024<br>£      |
| Cash at bank | <u>579,476</u> | <u>491,376</u> | <u>442,339</u> | <u>388,095</u> |

#### 20 Creditors: amounts falling due within one year

|                                    | Group          |                | Charity        |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | 2025<br>£      | 2024<br>£      | 2025<br>£      | 2024<br>£      |
| Bank loans                         | 9,282          | 9,282          | 9,282          | 9,282          |
| Trade creditors                    | 57,555         | 70,405         | 52,985         | 60,990         |
| Other taxation and social security | 24,216         | 17,978         | 24,071         | 16,229         |
| VAT                                | 48,696         | 34,749         | 35,080         | 34,749         |
| Other creditors                    | 9,992          | 10,654         | 9,452          | 10,431         |
| Accruals and deferred income       | <u>173,924</u> | <u>238,038</u> | <u>164,495</u> | <u>226,548</u> |
|                                    | <u>323,665</u> | <u>381,106</u> | <u>295,365</u> | <u>358,229</u> |

## Groundwork South and North Tyneside Limited

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

#### Deferred income

##### Group

|                                        | 2025<br>£     | 2024<br>£      |
|----------------------------------------|---------------|----------------|
| Deferred income at 1 April 2024        | 157,268       | 300,823        |
| Resources deferred in the period       | 78,836        | 157,268        |
| Amounts released from previous periods | (157,268)     | (300,823)      |
| Deferred income at year end            | <u>78,836</u> | <u>157,268</u> |

#### 21 Creditors: amounts falling due after one year

|            | Group        |               | Charity      |               |
|------------|--------------|---------------|--------------|---------------|
|            | 2025<br>£    | 2024<br>£     | 2025<br>£    | 2024<br>£     |
| Bank loans | <u>3,808</u> | <u>13,994</u> | <u>3,808</u> | <u>13,994</u> |

The loan detailed above is a Bounce Back Loan that was obtained in July 2020. The loan period was agreed as six years with an interest rate of 2.5% above Bank of England base rate. The loan will be fully repaid in July 2026. No security was provided against the loan.

#### 22 Obligations under leases and hire purchase contracts

##### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

|                            | Group         |               | Charity      |              |
|----------------------------|---------------|---------------|--------------|--------------|
|                            | 2025<br>£     | 2024<br>£     | 2025<br>£    | 2024<br>£    |
| <b>Other</b>               |               |               |              |              |
| Within one year            | 6,209         | 6,209         | 1,561        | 1,561        |
| Between one and five years | <u>15,284</u> | <u>21,493</u> | <u>3,812</u> | <u>5,373</u> |
|                            | <u>21,493</u> | <u>27,702</u> | <u>5,373</u> | <u>6,934</u> |

#### 23 Pension and other schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £89,844 (2024 - £68,975).

Contributions totalling £7,423 (2024 - £10,654) were payable to the scheme at the end of the year and are included in creditors.

## Groundwork South and North Tyneside Limited

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

#### 24 Funds

##### Group

|                                 | Balance at<br>1 April<br>2024<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£  | Balance at<br>31 March<br>2025<br>£ |
|---------------------------------|------------------------------------|----------------------------|----------------------------|-----------------|-------------------------------------|
| <b>Unrestricted funds</b>       |                                    |                            |                            |                 |                                     |
| <b>General</b>                  |                                    |                            |                            |                 |                                     |
| General funds                   | 2,575,013                          | 1,616,060                  | (1,729,621)                | (4,474)         | 2,456,978                           |
| <b>Designated</b>               |                                    |                            |                            |                 |                                     |
| Education Fund                  | 85,394                             | 849,135                    | (872,054)                  | -               | 62,475                              |
| <b>Total unrestricted funds</b> | <u>2,660,407</u>                   | <u>2,465,195</u>           | <u>(2,601,675)</u>         | <u>(4,474)</u>  | <u>2,519,453</u>                    |
| <b>Restricted funds</b>         |                                    |                            |                            |                 |                                     |
| Ten North East Activities       | 7,555                              | 139,849                    | (121,656)                  | 4,514           | 30,262                              |
| Sustainable Communities         | 77,947                             | 69,314                     | (84,668)                   | -               | 62,593                              |
| Raising Aspirations             | 3,771                              | -                          | -                          | -               | 3,771                               |
| Better Places                   | 40                                 | 13,382                     | (12,253)                   | (40)            | 1,129                               |
| Enriching Lives                 | -                                  | 244,174                    | (163,960)                  | -               | 80,214                              |
| <b>Total restricted funds</b>   | <u>89,313</u>                      | <u>466,719</u>             | <u>(382,537)</u>           | <u>4,474</u>    | <u>177,969</u>                      |
| <b>Total funds</b>              | <u>2,749,720</u>                   | <u>2,931,914</u>           | <u>(2,984,212)</u>         | <u>-</u>        | <u>2,697,422</u>                    |
|                                 | Balance at<br>1 April<br>2023<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£  | Balance at<br>31 March<br>2024<br>£ |
| <b>Unrestricted funds</b>       |                                    |                            |                            |                 |                                     |
| <b>General</b>                  |                                    |                            |                            |                 |                                     |
| General funds                   | 2,676,266                          | 1,347,594                  | (1,437,885)                | (10,962)        | 2,575,013                           |
| <b>Designated</b>               |                                    |                            |                            |                 |                                     |
| Education Fund                  | -                                  | 85,394                     | -                          | -               | 85,394                              |
| <b>Total unrestricted funds</b> | <u>2,676,266</u>                   | <u>1,432,988</u>           | <u>(1,437,885)</u>         | <u>(10,962)</u> | <u>2,660,407</u>                    |

## Groundwork South and North Tyneside Limited

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

|                               | Balance at<br>1 April<br>2023<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£ | Balance at<br>31 March<br>2024<br>£ |
|-------------------------------|------------------------------------|----------------------------|----------------------------|----------------|-------------------------------------|
| <b>Restricted funds</b>       |                                    |                            |                            |                |                                     |
| Communities                   | 77,947                             | -                          | -                          | (77,947)       | -                                   |
| Ten North East Activities     | 24,533                             | 98,416                     | (115,394)                  | -              | 7,555                               |
| Sustainable Communities       | -                                  | 144,724                    | (150,775)                  | 83,998         | 77,947                              |
| Raising Aspirations           | -                                  | 718,025                    | (694,897)                  | (19,357)       | 3,771                               |
| Better Places                 | -                                  | 17,321                     | (17,281)                   | -              | 40                                  |
| Enriching Lives               | -                                  | 142,105                    | (166,373)                  | 24,268         | -                                   |
| <b>Total restricted funds</b> | <u>102,480</u>                     | <u>1,120,591</u>           | <u>(1,144,720)</u>         | <u>10,962</u>  | <u>89,313</u>                       |
| <b>Total funds</b>            | <u>2,778,746</u>                   | <u>2,553,579</u>           | <u>(2,582,605)</u>         | <u>-</u>       | <u>2,749,720</u>                    |

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

Ten North East activities comprise fourteen funds with the aims of supporting Long Term Unemployed and Supporting Young People. Further information on those funds is available within the financial statements of TEN.

Other restricted funds represent project fund income which has been received to enable specific projects to be undertaken in the year.

## Groundwork South and North Tyneside Limited

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

#### 25 Analysis of net assets between funds

##### Group

|                                  | <b>Unrestricted</b> |                   | <b>Restricted</b> | <b>Total funds</b> |
|----------------------------------|---------------------|-------------------|-------------------|--------------------|
|                                  | <b>General</b>      | <b>Designated</b> |                   |                    |
|                                  | <b>£</b>            | <b>£</b>          | <b>£</b>          | <b>£</b>           |
| Tangible fixed assets            | 2,189,860           | -                 | -                 | 2,189,860          |
| Net current assets/(liabilities) | 270,926             | 62,475            | 177,969           | 511,370            |
| Creditors over 1 year            | (3,808)             | -                 | -                 | (3,808)            |
| <b>Total net assets</b>          | <b>2,456,978</b>    | <b>62,475</b>     | <b>177,969</b>    | <b>2,697,422</b>   |

|                                  | <b>Unrestricted</b> |                   |                   | <b>Total funds</b> |
|----------------------------------|---------------------|-------------------|-------------------|--------------------|
|                                  | <b>General</b>      | <b>Designated</b> | <b>Restricted</b> | <b>at 31 March</b> |
|                                  | <b>£</b>            | <b>£</b>          | <b>£</b>          | <b>2024</b>        |
|                                  |                     |                   |                   | <b>£</b>           |
| Tangible fixed assets            | 2,245,950           | -                 | -                 | 2,245,950          |
| Net current assets/(liabilities) | 343,057             | 85,394            | 89,313            | 517,764            |
| Creditors over 1 year            | (13,994)            | -                 | -                 | (13,994)           |
| <b>Total net assets</b>          | <b>2,575,013</b>    | <b>85,394</b>     | <b>89,313</b>     | <b>2,749,720</b>   |

#### 26 Analysis of net funds

##### Group

|                                   | <b>At 1 April</b> | <b>Financing</b>  | <b>At 31 March</b> |
|-----------------------------------|-------------------|-------------------|--------------------|
|                                   | <b>2024</b>       | <b>cash flows</b> | <b>2025</b>        |
|                                   | <b>£</b>          | <b>£</b>          | <b>£</b>           |
| Cash at bank and in hand          | 491,376           | 88,103            | 579,479            |
| Debt due within one year          | (9,282)           | -                 | (9,282)            |
| Debt due after more than one year | (13,994)          | 9,282             | (4,712)            |
| <b>Net debt</b>                   | <b>468,100</b>    | <b>97,385</b>     | <b>565,485</b>     |

## Groundwork South and North Tyneside Limited

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

#### 27 Related party transactions

##### Group

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

##### Groundwork North East

(Common Trustees)

D Pearce and A Thurston (until resigned as a director 5 December 2024) were trustees of the charitable company and also trustees of Groundwork North East. During the year ended 31 March 2025 the company procured goods and services from Groundwork North East amounting to £42,065 (2024: £25,583) and made sales to Groundwork North East amounting to £202,333 (2024: £38,549). At the balance sheet date the amount due to/from from Groundwork North East was £Nil (2024 - £12,965).

#### 28 Collaborations

As explained in note 15 of the financial statements, Groundwork has two long-term legally binding collaborations, below is an overview of the collaboration.

One Trinity Green (OTG) - The Charitable Company has a long-term collaboration with South Tyneside Council in the development and management of OTG Business Centre. The collaboration is to support the regeneration of the Laygate area of South Shields and development of a Business incubator that supports new and emerging business leading to business growth and employment opportunities. Through the collaboration, the Charitable Company has a 25% share in OTG.

The Beacon - The Charitable Company has a 125 year collaboration with Centre West Charitable Trust in the development and management of the Beacon Community Enterprise Hub. The collaboration is to support the regeneration of the West End of Newcastle as well as furthering the aims of the two charitable companies. The ethos of the centre is to provide affordable flexible office spaces and artisan workshops to local new and emerging businesses that support the partners' charitable aims. The Charitable Company has nominated two representatives onto The Beacon Partnership Board.

Through the collaboration, the Charitable Company has a 42.39% share in The Beacon. In accordance with Financial Reporting Statement 9 - Accounting for associates, joint ventures and joint arrangements, these financial statements recognise only Groundwork South and North Tyneside's share of the income, expenditure, asset and liabilities of the collaboration project for The Beacon Partnership.

## Groundwork South and North Tyneside Limited

### Comparative Consolidated Statement of Financial Activities for the Year Ended 31 March 2024

#### (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

|                                    | Note | Unrestricted<br>£       | Restricted<br>£      | Total<br>2024<br>£      |
|------------------------------------|------|-------------------------|----------------------|-------------------------|
| <b>Income and Endowments from:</b> |      |                         |                      |                         |
| Donations and legacies             | 3    | 30,547                  | -                    | 30,547                  |
| Charitable activities              | 4    | 1,149,237               | 1,120,591            | 2,269,828               |
| Other trading activities           | 5    | 162,329                 | -                    | 162,329                 |
| Investment income                  | 6    | 71,419                  | -                    | 71,419                  |
| Other income                       | 7    | 19,456                  | -                    | 19,456                  |
| Total income                       |      | <u>1,432,988</u>        | <u>1,120,591</u>     | <u>2,553,579</u>        |
| <b>Expenditure on:</b>             |      |                         |                      |                         |
| Raising funds                      |      | (147,053)               | -                    | (147,053)               |
| Charitable activities              | 8    | <u>(1,290,832)</u>      | <u>(1,144,720)</u>   | <u>(2,435,552)</u>      |
| Total expenditure                  |      | <u>(1,437,885)</u>      | <u>(1,144,720)</u>   | <u>(2,582,605)</u>      |
| Net expenditure                    |      | (4,897)                 | (24,129)             | (29,026)                |
| Transfers between funds            |      | <u>(15,476)</u>         | <u>15,476</u>        | -                       |
| Net movement in funds              |      | (20,373)                | (8,653)              | (29,026)                |
| <b>Reconciliation of funds</b>     |      |                         |                      |                         |
| Total funds brought forward        |      | <u>2,680,780</u>        | <u>97,966</u>        | <u>2,778,746</u>        |
| Total funds carried forward        | 24   | <u><u>2,660,407</u></u> | <u><u>89,313</u></u> | <u><u>2,749,720</u></u> |

**Groundwork South and North Tyneside Limited**

England & Wales - Charity number 1007918

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# Accounts

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Company registration number: 02592100

Charity registration number: 1007918

# GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2024

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COMPANIES HOUSE

**Groundwork South and North Tyneside Limited**

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## **Groundwork South and North Tyneside Limited**

### **Reference and Administrative Details**

|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trustees</b>                    | D C Pearce, Chair<br>M J Cuthbertson, Vice Chair<br>J D Owen, Treasurer<br>A Whittaker<br>Dr C A Ferguson (resigned 26 February 2024)<br>D J O'Mahoney<br>C A Donnelly (resigned 6 June 2023)<br>D Turton<br>A R Thurston<br>M S Overton (resigned 19 February 2024)<br>S Broadhurst<br>K Crews (resigned 14 March 2024)<br>Cllr S Dean<br>S Brand<br>J R Cripps<br>R Lee (appointed 23 October 2023)<br>S Brown (appointed 23 October 2023)<br>A Woods (appointed 13 June 2024) |
| <b>Key Management Personnel</b>    | Mr A Watts, Chief Executive Officer                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Registered Office</b>           | The Eco Centre<br>Windmill Way<br>Hebburn<br>Tyne & Wear<br>NE31 1SR<br>The charity is incorporated in England and Wales.                                                                                                                                                                                                                                                                                                                                                        |
| <b>Company Registration Number</b> | 02592100                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Charity Registration Number</b> | 1007918                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Solicitors</b>                  | PGS Law<br>Law Court Chambers<br>Waterloo Square<br>South Shields<br>Tyne and Wear<br>NE33 1AW                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Bankers</b>                     | Royal Bank of Scotland<br>Newcastle<br>31 Grey St<br>Newcastle upon Tyne<br>NE1 6ES                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Auditor</b>                     | Azets Audit Services<br>Bulman House<br>Regent Centre<br>Gosforth<br>Newcastle upon Tyne<br>NE3 3LS                                                                                                                                                                                                                                                                                                                                                                              |

# **Groundwork South and North Tyneside Limited**

## **Trustees Report**

### **1. Overview**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) submit their annual report and the audited financial statements of Groundwork South and North Tyneside, (the Charitable Company) for the year ended 31 March 2024. The Trustees have adopted the provisions of the Charities SORP (FRS 102 - 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, effective 1 January 2015). The accounts have been prepared in accordance with the Companies Act 2006.

The following information about the financial year 2023/24 is presented in the format required by The Charity Commission.

### **1.1 Organisational Structure and Decision Making**

Groundwork South and North Tyneside is one of a national network of eighteen independent Charitable Trusts, and is part of the Groundwork Federation.

The Groundwork Federation is a national regeneration organisation working with partners to improve the quality of the local environment, the lives of local people and the success of local businesses in those areas in need of investment and support. The Federation supports the independent charitable trusts with external funding, development of national programmes, business development, national campaigns and distribution of national policies.

### **1.2 Vision**

Groundwork's vision is of a society made up of sustainable communities which are vibrant, healthy and safe, which value the local and global environment and where individuals and enterprise prosper.

Groundwork's purpose is to build sustainable communities through joint action.

## **2. CHARITABLE COMPANY GOVERNANCE, STRUCTURE OBJECTIVES AND ACTIVITIES**

### **2.1 Governing Constitution**

The Charitable Company is a charitable company limited by guarantee and was set up by a Memorandum of Association on 15 March 1991. There are three Company Members each of whom have undertaken to contribute an amount not exceeding £1 in the event of winding up. The Members are:

The Federation of Groundwork Trusts

South Tyneside Metropolitan Borough Council

North East England Chamber of Commerce

The Charitable Company is constituted under a Memorandum of Association dated 15 March 1991 and is a registered charity number 1007918. The principal object of the Charitable Company is to build sustainable communities through joint action. The Charitable Company's memorandum and articles of association were amended in June 2017 to include cultural and heritage activities.

The Charitable Company is governed by a Board of Trustees comprising of both co-opted and nominated individuals / representatives who are elected and re-elected on a 3 year term under the terms of the Articles of Association.

# **Groundwork South and North Tyneside Limited**

## **Trustees Report**

Any nominated co-opted Trustee must be endorsed by the Board of Trustees before being appointed.

The Trustees of the Charitable Company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

The charitable company has a procedure for the induction of new Trustees to ensure that all necessary information and governance procedures are fully understood. The induction also includes tours of the organisation's assets and projects to obtain first-hand experience of the range of services.

The Charitable Trust ensures that it manages the challenging operating environment due to the current economic climate; the Trust continues to split the annual Key Performance Indicator's (KPIs) into three business priority areas, finance, development and quality which form the basis of sub committees' of the main Board. The priority areas will form the basis for our business model for the forthcoming year.

### **2.2 Resources Committee**

This priority will concentrate on financial and business management through short term performance management, cost efficiencies and maintaining quality standards to ensure that we deliver quality services within budget and timescales.

Through the performance management framework, the Trust will review the following areas on a regular basis and implement the necessary action plans.

- Operation Portfolio Updates including performance
- Financial Updates & Management
- Staffing / H&R
- Property & Asset Strategy

### **2.3 Business Controls, Systems and Compliance and Committee**

This priority will focus on business development to ensure the Trust maximises business opportunities in-line with our 5 year strategy, whilst responding to emerging markets within the private and public sector. To support the regional collaboration, this committee has become a Joint NE committee with Trustees from our sister Trust GW North East & Cumbria; this new framework ensures a regional approach to business development, building on knowledge and avoiding duplication.

The management team will develop a framework to monitor progress against the below areas:

- Health & Safety
- Safeguarding
- ISO 14001
- GDPR / ICT
- Equality & Diversity
- Net Zero Action Plan
- Matrix

# **Groundwork South and North Tyneside Limited**

## **Trustees Report**

### **2.4. Route 2 Work Governors**

To oversee the quality, compliance and learning standards at our Route 2 Work College, the Charitable Company has established Governors Committee. The role of the committee is to support and challenges the quality of the outcomes, achievements, personal development and quality improvement plan. The Committee provide the full Board with a quarterly update on progress.

### **2.5 Jarrow Hall Managing Committee**

To oversee the implementation and monitoring of the Masterplan as well as measuring our impact and outcomes against the investment principles, the Charitable Company has created a Jarrow Hall Committee. The role of the committee is to support the outcomes and actions of the Masterplan whilst overseeing the activity and engagement at the Bede Museum and Anglo-Saxon Farm.

The Committee provide the full Board with a regular progress report.

### **2.6 Charitable Company Objectives**

In setting the governing objects, strategic objectives and plans for the future, the Trustees have given due consideration to general guidance published by the charity commission relating to public benefit.

The governing objects of the charitable company are:

1. To promote the conservation, protection and improvement of the physical and natural environment anywhere within the local Government boundaries of the Metropolitan Boroughs of South Tyneside and North Tyneside.

2. 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 in the Metropolitan Boroughs of South Tyneside and North Tyneside.

3. To advance public education in environmental matters and of the ways of better conserving, protecting and improving the same where so ever.

4 To promote for the public benefit, urban or rural regeneration in areas of social and economic deprivation within the Metropolitan Boroughs of South Tyneside and North Tyneside by all or any of the following means:

4.1 The relief of poverty in such ways as may be thought fit;

4.2 The relief of unemployment in such ways as may be thought fit including assistance to find employment;

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

5. To provide facilities in the interests of social welfare for recreational, cultural and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting in the Metropolitan Boroughs of South Tyneside and North Tyneside through:

*(a) The operation of leisure, cultural and heritage sites, venues or projects;*

## **Groundwork South and North Tyneside Limited**

### **Trustees Report**

*(b) Holding or owning a historic or cultural collection;*

6. To promote sustainable development for the benefit of the public by:

(a) preservation, conservation and the protection of the environment and the prudent use of resources,

(b) the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities;

(c) the promotion of sustainable means of achieving economic and social growth and regeneration.

7. 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.

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

9. To promote the efficiencies and the effectiveness of the Voluntary Sector for the benefit of the public by the provision of information, support and advice to local community groups

#### **2.7 Strategic Objectives**

To achieve the above objects, the charitable company uses the following six major areas of work to maximise the impact to the communities it serves:

Working with **communities** to build stronger neighbourhoods.

Working to realise the potential of **young people**.

Through **education**, promoting learning, citizenship and sustainability.

Working to reconnect people with **places**.

Working to provide training for **employment** and stimulating **enterprise**.

Working to help **businesses** succeed.

In addition to the above Groundwork delivers three cross cutting themes:

We promote health and well-being by providing the facilities and support to help people become more physically active and make healthier lifestyle choices.

We work closely with housing organisations to plan neighbourhood wide improvements, raise the quality of the housing stock and engage communities to promote greater cohesion.

We promote sustainability and combating climate change by encouraging adults and children to change their behaviour.

## **Groundwork South and North Tyneside Limited**

### **Trustees Report**

#### **2.8 Contribution of Volunteers to deliver strategic objectives**

A continued support mechanism to the charitable company are volunteers both corporate and local community who provide invaluable support to local projects and supporting local communities. Over the past few years, the charitable company has developed its corporate volunteering model with the continued support of SAGE.

The charitable company has a core of project volunteers who provide support and dedication on a weekly basis to support community projects or local sites such as Jarrow Hall and West Boldon Lodge. To support the recommencement of our programmes post pandemic the volunteering opportunities have increased, thanks to the dedication of our volunteers and additional controls they provided over 15,170 volunteering hours to support our vision of changing places, changing lives which equates in total to over £94k in volunteer time.

### **3. OPERATIONAL ACHIEVEMENTS AND FINANCIAL PERFORMANCE**

#### **3.1 Operational Performance**

We tackle these inequalities as we continue to work with partners to build green jobs and deliver across four main areas, Empowering Sustainable Communities, Raising Aspirations, Creating Better Places and Enriching Lives Through Culture and Heritage, in the places that need it most.

The financial performance in 2023/24 was very stable. Through a wide range of contracts, commissions and grants from Government, Funders and Partners, the Charitable Company was able to access significant new funds to support our work within our communities which were needed more than ever.

During the year, the charitable company integrated a number of new operating systems and controls that enable our projects and services to operate in a very controlled and safe environment. To support staff, the charitable company has made significant improvements and operating changes to enable the management of an ever changing activity portfolio effectively and further work has been undertaken on operating systems to maximise the benefits of agile working.

During the year, the Charitable Company major partnership assets at One Trinity Green and The Beacon continued to increase occupancy and directly support the charitable aims through business support, training and enterprise. The Charitable Company's traditional operations remain stable with growth within the majority of the portfolios which has allowed the Charitable Company to manage the financial changes as mentioned within the report.

## **Groundwork South and North Tyneside Limited**

### **Trustees Report**

The Charitable Company secured and received a variety of grants including:

- Arts Council England, National Portfolio Organisation (NPO), the charitable company secured NPO status and grant to support the cultural offer at Jarrow Hall.
- National Lottery Fund Fund Grant received from the Local Trust for the final elements of the Central Jarrow Big Local initiative to support the staffing and community development of the Big Local and transfer to the local Community Interest Company to become the legacy of the programme.
- The National Lottery Community Fund RC North East and Cumbria Region- ongoing delivery of Marsden Says to support the development of community programmes and resilience at Marsden Road Centre.
- Museum Development North East for training and equipment at Jarrow Hall to enhance the cultural offer.
- LEAP through Agility Eco support people living in poverty and the development of the Green Doctor Service to provide energy efficiency advice and implement energy measures.
- Sage Foundation to support Jarrow Hall site development and corporate volunteering opportunities for local Sage employees.
- Children in Need Small Grant to support Forest Playschool at West Boldon Lodge to support young people connecting with nature.
- Holiday Activity and Food Fund, in partnership with South Tyneside Council, we delivered a programme of targeted clubs through school holidays to targets families.
- Sport England to support physical activity for Roue2Work College learners with SEN.
- Know our Neighbourhood social action grant to reduce isolation and improve mental wellbeing
- Newcastle Building Society to support community activity at Marsden Road Health and Wellbeing Centre
- AIM New Audiences and New Ideas to engage young people in "A Climate Changed" co-created exhibition at Jarrow Hall.
- Northern Power Grid in partnership with Groundwork Yorkshire for Green Doctor Energy Advice and Guidance.
- The National Lottery Community Fund in partnership with Groundwork in the North (Groundwork CLAM lead partner) to deliver Green Community Hubs via West Boldon Lodge.
- Alternative Education Provision, through a framework with North Tyneside Council delivery commenced to support young people.
- National Lottery Climate Action Fund, a partnership grant was secured to deliver pilot Bulky Waste Sustainability Hub project in partnership with South Tyneside Council.
- National Lottery Heritage Fund, for ongoing delivery of 'Skills for the Past for the Future' at Jarrow Hall.

## **Groundwork South and North Tyneside Limited**

### **Trustees Report**

- Wild Isles secured through Groundwork Manchester to for community enabling for grant support for environmental focused activity.
- Masonic Charitable Trust to support Forest Playschool at West Boldon Lodge and Jarrow Hall.
- South Tyneside Council UKSPF for capital improvements and installation of outdoor classroom/learning space at Jarrow Hall, with linked social action and personal development activity - spend profiled for 2024/25 financial year.
- LEAD project in partnership with GWNE&C and Energy Saving Trust to deliver information, advice and guidance for domestic retrofit.
- Cadent/VCMA through GWUK to deliver energy advice and support people in fuel poverty.
- TT2 to support green space, habitat improvements and community engagement / nature connection at Monkton Community Woodland.
- South Tyneside Council UKSPF through Making Waves Cultural Partnership to deliver Out & About cultural activity.

In addition, the Charitable Company continued to deliver a number of service contracts, these service contracts allowed the Charitable Company to deliver quality outcomes through inspiring people and creating greener spaces for people to live, work and play.

#### **3.2 Contribution to Local Communities**

Set out below are some of the ways in which our activities have helped the communities we serve:

- **Empowering Fair and Sustainable Communities Reducing Inequalities** by supporting and enabling individuals and communities.
- **Creating Better Places** by developing accessible high quality built and green spaces that provide natural capital and improve wellbeing.
- **Raising Aspirations by Creating Better Prospects.** Supporting individuals and families to be resilient, confident, ambitious and independent.
- **Enriching Lives through Environment, Culture and Heritage.** Inspiring engagement and discovery informed by our past, present and future.

## **Groundwork South and North Tyneside Limited**

### **Trustees Report**

#### **3.3 External Challenging Factors Relevant to Achieve Objectives**

The continued reduction of public sector funding has had an effect on grants provided to the charitable sector. This alongside increased demand on grant funding bodies has resulted in fewer grant applications being funded and therefore the Charitable Company continues to look at self-financing models and the introduction of financial contribution to selected community based services.

In addition to the above challenges, the economic climate has reduced the number of job opportunities for the beneficiaries completing our Employment & Skills programmes which has led to a smaller number than anticipated entering the field of employment. We continue to work with partners to look at new opportunities of embedding further support mechanisms into our employment programmes to provide the best possible support packages to individuals to prepare them for the labour market.

#### **3.4 Financial Performance**

The statutory position for the year shows a loss of £29,026, however, this loss includes £108,449 depreciation linked to our asset portfolio.

During the financial year the Charitable Group secured contracts, service level agreements and grant funding from many organisations including Central Government, North Tyneside Council, South Tyneside Metropolitan Borough Council, South Tyneside Public Health, National Lottery Community Fund, Big Local, Sage Foundation, Land Trust, Ward Improvement Fund, National Grid, South Tyneside Homes, Sir James Knott Trust, Barbour Foundation, Ballinger Trust, Tesco, Agility Eco, Freemasons, Community Foundation, LGA Foundation, Museum Development North East, Banks Group and Hadrian Trust.

The Charitable Group wishes to thank the partnership organisations that have supported the Charity over the past year.

At the end of the year the Charitable Group held reserves of £2,749,720 ( 2023 £2,778,746).

Held as part of the reserves are Freehold and Leasehold properties totalling £2,144,302 as part of the total fixed assets totalling £2,245,950. The charitable group holds free net current assets as of 31st March 2024 totaling £428,451 made up of £343,057 General Funds and £85,394 Designated Funds (2023 free net reserves £405,501).

#### **3.5 Asset Management**

The Charitable Company undertook a detailed asset review of all freehold and leasehold assets held within the fixed assets.

The Trustees remain aware that efforts will continue to be required to cut fixed asset costs and asset reduce overheads and to benefit from economies of scale through potential further development opportunities within the trading subsidiary. The Charitable Company will also continue developing its service delivery utilising our community based assets as service hubs.

#### **3.6 Investment policy and performance**

The Trustees have the power to invest in such assets as they see fit.

## **Groundwork South and North Tyneside Limited**

### **Trustees Report**

The Charitable Company may need to react quickly to particular needs and therefore has a policy of keeping surplus liquid funds in short term deposits which can be readily accessed.

The Board undertake an annual review of the investment strategy / policy to ensure that funds are utilised and provide the most beneficial return to the charitable company, this annual review also informs the reserves policy.

#### **3.7 Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

#### **4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Charitable Company as part of its annual Business Plan sets out a number of Financial Objectives that are overseen by Resources Committee. These objectives relate to the level of working capital, total funds available, management of higher risk activities and investments. The committee measure performance against these objectives on a quarterly basis with a report presented to the Board of Trustees.

## **Groundwork South and North Tyneside Limited**

### **Trustees Report**

#### **4.1 Principal risks and uncertainties**

The Charitable Company produces an annual Risk Register that sets out the principle risks to the organisation and the necessary contract required to manage such risks. The risk register is managed by the Executive Team with an annual report presented to the Board.

The main risks to the charitable company are relationship management of key stakeholder, effective management of health & safety, continued reduction in government funding and management of higher risk activities. Below is a summary of the main areas of risk, for which we have the necessary strategies / risk management plans in place:

- Failure to secure management of new programmes, threatening the long-term viability of the organisation.
- An unexpected withdrawal of funding from a major partner.
- A major personal incident health & safety or safeguarding occurring on local projects.
- Non-compliance to data security, health & safety and environmental regulations.
- Ongoing change management within the Groundwork Federation impacting on the Federation's ability to deliver national programmes.

#### **4.2 Risk Management**

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that steps can be taken to lessen these risks. These risks are linked to the above principal risks and uncertainties.

#### **4.3 Reserves Policy**

The Trustees have reviewed the Charitable Company's reserves requirements in accordance with the guidelines issued by the Charity Commission for England and Wales.

In formulating the policy, the Trustees have taken into account the Charitable Company's expenditure commitments and the sources, reliability and timing of its income flows. In addition, future needs, opportunities, contingencies and risks have been analysed and assessed.

The Trustees agree on an annual basis the agreed working capital requirement for the Charitable Company that enables the organisation to operate in-line with the reserves policy and guidelines.

#### **4.4 Pay Policy for Senior Staff**

The Resource Committee of the Board are responsible for the setting of remuneration for the organisation's staff including the Executive Team. The organisation has a robust annual appraisal process that monitors past performance and sets the forthcoming year's key performance indicators and contribution to the Business Plan.

# Groundwork South and North Tyneside Limited

## Trustees Report

### 5. PLANS FOR FUTURE PERIODS - FUTURE DEVELOPMENTS

The charitable company in 2023 adopted the Groundwork Federation strategy that sets out its plans and vision for the future of the charitable company, below is a summary of the strategy:

Over the next few years, we will continue to provide services that enable us to deliver our vision of 'Changing Places and Changing Lives'. We will do this by embedding innovation and sustainability in all we do, maximising impact and outcomes.

Groundwork is a federation of charities mobilising practical community action on poverty and the environment across the UK. 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.
- No-one is held back by their background or circumstances.

We believe that working with local communities to build their resilience is vital in facing up to the challenges of a globalised economy and a changing climate.

#### Why this Matters:

- 89% of community groups say their work is needed more than ever, but more than half say it has got harder for them to operate in the last ten years.
- 75% of people say they feel unable to influence decisions about what happens in their local area. Nearly half of young people<sup>2</sup> say they feel they don't belong to their neighbourhood.
- 2.69 million people do not live within a ten minute walk of a green space. Those who are at greatest risk of poor physical and mental health are more likely to miss out on the benefits of green space.
- Around half a million young people were 'economically inactive' - not in learning or employment and not looking for work – before Covid-19, a number which has been slowly rising.
- One in ten households in England is experiencing fuel poverty, rising to almost one in five for ethnic minority households.
- 76% of adults say they are concerned about climate change.
- 40% of young people admit to feeling 'overwhelmed' by the climate crisis.
- 90% of SMEs said being sustainable was important for their business but more than half said they were finding it difficult to take action.

#### Our Impact and Change we deliver:

Our work supports people facing multiple challenges – living in isolation or with significant health issues, in communities with few facilities, limited employment prospects and vulnerable to extreme weather events.

## **Groundwork South and North Tyneside Limited**

### **Trustees Report**

- We create better places - Making communities greener, safer and healthier by enabling people to work together to bring about change in their local area.
- We improve people's prospects - Increasing the confidence, skills, wellbeing and employability of those struggling in education or out of work.
- We promote greener choices - Helping people and businesses reduce their environmental impact, cut waste, save money and live more healthily

To support the plans for the future, a number of Key Deliverables have been agreed by the Trustees' of the Charitable Company on an annual basis. The Charitable Company holds an annual Business Development Session where the Trustees and Executive Team review existing strategic direction and activities and set the future direction of the charitable company.

The Charitable Company is looking to expand its charitable operations especially with our communities team linked to wider education services and community events. Further, through the integration of TEN North East into Groundwork, the charitable company hopes to expand its training & development and young carers services as well as working across the Groundwork Federation especially through Groundwork in the North to develop enhanced collaboration and business development.

#### ***Fundraising disclosures***

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

#### ***Public benefit***

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

## Groundwork South and North Tyneside Limited

### Trustees Report

#### Statement of trustees' responsibilities

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Company law requires the Trustees to prepare financial statements for each financial year. 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 Charitable Company 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 in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Disclosure of information to auditor

Each trustee has taken 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 the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 5th December 2024 and signed on its behalf by:



Jeffrey Owen 05 Dec 2024 17:11:41 GMT (UTC +0)

J D Owen  
Trustee

## **Groundwork South and North Tyneside Limited**

### **Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited**

#### **Opinion**

We have audited the financial statements of Groundwork South and North Tyneside Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, Statement of Cash Flows, 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 group's and parent charity's affairs as at 31 March 2024 and of the group's 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 group 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 group's ability to continue as a going concern for a period of at least twelve months from when the 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.

## **Groundwork South and North Tyneside Limited**

### **Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited**

We have nothing to report in this regard.

#### **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 and Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 14), 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## **Groundwork South and North Tyneside Limited**

### **Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited**

Enquiries with management about any known or suspected instances of non-compliance with laws and regulations including fraud;

- Reviewing the most recent reports issued by regulators;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: compliance with the UK Companies Act, and the Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or recognise the non-compliance.

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

## **Groundwork South and North Tyneside Limited**

### **Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited**

#### **Use of our report**

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



Simon Brown 05 Dec 2024 17:11:41 GMT (UTC +0)

Simon Brown BA ACA DChA (Senior Statutory Auditor)  
For and on behalf of Azets Audit Services  
Chartered Accountants  
Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date: 05 December 2024

Azets Audit Services is a trading name of Azets Audit Services Limited.

## Groundwork South and North Tyneside Limited

### Consolidated Statement of Financial Activities for the Year Ended 31 March 2024

#### (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

|                                    | Note | Unrestricted<br>£  | Restricted<br>£    | Total<br>2024<br>£ | Total<br>2023<br>£ |
|------------------------------------|------|--------------------|--------------------|--------------------|--------------------|
| <b>Income and Endowments from:</b> |      |                    |                    |                    |                    |
| Donations and legacies             | 3    | 30,547             | -                  | 30,547             | 66,912             |
| Charitable activities              | 4    | 1,149,237          | 1,120,591          | 2,269,828          | 2,056,465          |
| Other trading activities           | 5    | 162,329            | -                  | 162,329            | 157,677            |
| Investment income                  | 6    | 71,419             | -                  | 71,419             | 95,030             |
| Other income                       | 7    | 19,456             | -                  | 19,456             | 970                |
| <b>Total Income</b>                |      | <b>1,432,988</b>   | <b>1,120,591</b>   | <b>2,553,579</b>   | <b>2,377,054</b>   |
| <b>Expenditure on:</b>             |      |                    |                    |                    |                    |
| Raising funds                      |      | (147,053)          | -                  | (147,053)          | (152,918)          |
| Charitable activities              | 8    | (1,290,832)        | (1,144,720)        | (2,435,552)        | (2,328,502)        |
| <b>Total Expenditure</b>           |      | <b>(1,437,885)</b> | <b>(1,144,720)</b> | <b>(2,582,605)</b> | <b>(2,481,420)</b> |
| Net expenditure                    |      | (4,897)            | (24,129)           | (29,026)           | (104,366)          |
| Transfers between funds            |      | (10,962)           | 10,962             | -                  | -                  |
| Net movement in funds              |      | (15,859)           | (13,167)           | (29,026)           | (104,366)          |
| <b>Reconciliation of funds</b>     |      |                    |                    |                    |                    |
| Total funds brought forward        |      | 2,676,266          | 102,480            | 2,778,746          | 2,883,112          |
| Total funds carried forward        | 24   | 2,660,407          | 89,313             | 2,749,720          | 2,778,746          |

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

The funds breakdown for 2023 is shown in note 24.

# Groundwork South and North Tyneside Limited

(Registration number: 02592100)

## Consolidated Balance Sheet as at 31 March 2024

|                                                                | Note | 2024<br>£        | 2023<br>£        |
|----------------------------------------------------------------|------|------------------|------------------|
| <b>Fixed assets</b>                                            |      |                  |                  |
| Tangible assets                                                | 15   | 2,245,950        | 2,294,700        |
| <b>Current assets</b>                                          |      |                  |                  |
| Stocks                                                         | 17   | 3,140            | 8,580            |
| Debtors                                                        | 18   | 404,354          | 548,375          |
| Cash at bank and in hand                                       | 19   | 491,376          | 593,032          |
|                                                                |      | <u>898,870</u>   | <u>1,149,987</u> |
| <b>Creditors: Amounts falling due within one year</b>          | 20   | <u>(381,106)</u> | <u>(642,006)</u> |
| <b>Net current assets</b>                                      |      | <u>517,764</u>   | <u>507,981</u>   |
| <b>Total assets less current liabilities</b>                   |      | 2,763,714        | 2,802,681        |
| <b>Creditors: Amounts falling due after more than one year</b> | 21   | <u>(13,994)</u>  | <u>(23,935)</u>  |
| <b>Net assets</b>                                              |      | <u>2,749,720</u> | <u>2,778,746</u> |
| <b>Funds of the group:</b>                                     |      |                  |                  |
| <b>Restricted</b>                                              |      | <u>89,313</u>    | <u>102,480</u>   |
| <b>Unrestricted income funds</b>                               |      |                  |                  |
| Designated funds                                               |      | 85,394           | -                |
| General funds                                                  |      | <u>2,575,013</u> | <u>2,676,266</u> |
| <b>Total unrestricted funds</b>                                |      | <u>2,660,407</u> | <u>2,676,266</u> |
| <b>Total funds</b>                                             | 24   | <u>2,749,720</u> | <u>2,778,746</u> |

The financial statements on pages 19 to 44 were approved by the trustees, and authorised for issue on 05/12/2024 and signed on their behalf by:



Jeffrey Owen 05 Dec 2024 17:11:41 GMT (UTC +0)

J D Owen  
Trustee

# Groundwork South and North Tyneside Limited

(Registration number: 02592100)

## Balance Sheet as at 31 March 2024

|                                                                | Note | 2024<br>£        | 2023<br>£        |
|----------------------------------------------------------------|------|------------------|------------------|
| <b>Fixed assets</b>                                            |      |                  |                  |
| Tangible assets                                                | 15   | 2,245,950        | 2,293,507        |
| Investments                                                    | 16   | 3                | 3                |
|                                                                |      | <u>2,245,953</u> | <u>2,293,510</u> |
| <b>Current assets</b>                                          |      |                  |                  |
| Stocks                                                         | 17   | 1                | -                |
| Debtors                                                        | 18   | 438,785          | 540,894          |
| Cash at bank and in hand                                       | 19   | 388,095          | 505,102          |
|                                                                |      | <u>826,881</u>   | <u>1,045,996</u> |
| <b>Creditors: Amounts falling due within one year</b>          | 20   | <u>(358,229)</u> | <u>(611,946)</u> |
| <b>Net current assets</b>                                      |      | <u>468,652</u>   | <u>434,050</u>   |
| <b>Total assets less current liabilities</b>                   |      | 2,714,605        | 2,727,560        |
| <b>Creditors: Amounts falling due after more than one year</b> | 21   | <u>(13,994)</u>  | <u>(23,935)</u>  |
| <b>Net assets</b>                                              |      | <u>2,700,611</u> | <u>2,703,625</u> |
| <b>Funds of the charity:</b>                                   |      |                  |                  |
| <b>Restricted</b>                                              |      | <u>81,718</u>    | <u>79,104</u>    |
| <b>Unrestricted income funds</b>                               |      |                  |                  |
| Designated funds                                               |      | 85,394           | -                |
| Unrestricted funds                                             |      | <u>2,533,499</u> | <u>2,624,521</u> |
| <b>Total unrestricted funds</b>                                |      | <u>2,618,893</u> | <u>2,624,521</u> |
| <b>Total funds</b>                                             | 24   | <u>2,700,611</u> | <u>2,703,625</u> |

The financial statements on pages 19 to 44 were approved by the trustees, and authorised for issue on 05/12/2024 and signed on their behalf by:



Jeffrey Owen 05 Dec 2024 17:11:41 GMT (UTC +0)

J D Owen  
Trustee

## Groundwork South and North Tyneside Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 March 2024

|                                                      | Note | 2024<br>£             | 2023<br>£             |
|------------------------------------------------------|------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>          |      |                       |                       |
| Net cash expenditure                                 |      | (29,026)              | (104,366)             |
| <b>Adjustments to cash flows from non-cash items</b> |      |                       |                       |
| Depreciation                                         |      | 108,449               | 91,173                |
| Investment income                                    | 6    | <u>(71,419)</u>       | <u>(95,030)</u>       |
|                                                      |      | 8,004                 | (108,223)             |
| <b>Working capital adjustments</b>                   |      |                       |                       |
| Decrease/(increase) in stocks                        | 17   | 5,440                 | (4,420)               |
| Decrease in debtors                                  | 18   | 144,021               | 113,207               |
| (Decrease)/increase in creditors                     | 20   | <u>(260,900)</u>      | <u>105,312</u>        |
| Net cash flows from operating activities             |      | <u>(103,435)</u>      | <u>105,876</u>        |
| <b>Cash flows from investing activities</b>          |      |                       |                       |
| Interest receivable and similar income               | 6    | 71,419                | 95,030                |
| Purchase of tangible fixed assets                    | 15   | <u>(59,699)</u>       | <u>(32,953)</u>       |
| Net cash flows from investing activities             |      | 11,720                | 62,077                |
| <b>Cash flows from financing activities</b>          |      |                       |                       |
| Repayment of loans and borrowings                    | 20   | <u>(9,941)</u>        | <u>(9,283)</u>        |
| Net (decrease)/increase in cash and cash equivalents |      | (101,656)             | 158,670               |
| Cash and cash equivalents at 1 April                 |      | <u>593,032</u>        | <u>434,362</u>        |
| Cash and cash equivalents at 31 March                |      | <u><u>491,376</u></u> | <u><u>593,032</u></u> |

All of the cash flows are derived from continuing operations during the above two periods.

## **Groundwork South and North Tyneside Limited**

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

#### **1 Charity status**

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. There are three members, each of whom have undertaken to contribute an amount not exceeding £1 in the event of a winding up. The members are:

Federation of Groundwork Trusts  
South Tyneside Metropolitan Borough Council  
North East Chamber of Commerce, Trade and Industry

The address of its registered office is: The Eco Centre, Windmill Way, Hebburn, Tyne & Wear, NE31 1SR

#### **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 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### **Basis of preparation**

Groundwork South and North Tyneside meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The functional currency of the group is the £ Sterling.

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2024.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit after tax for the financial year of £3,014 (2023 - £111,569)

## **Groundwork South and North Tyneside Limited**

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

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### **Going concern**

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group.

#### **Estimation uncertainty and judgements**

In the application of the Trust's accounting policies, the directors 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.

There are no significant accounting estimates which are considered to materially impact the financial statements.

#### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

#### **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.

## **Groundwork South and North Tyneside Limited**

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

#### ***Grants receivable***

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### ***Investment income***

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

#### ***Expenditure***

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### ***Governance costs***

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

**Groundwork South and North Tyneside Limited**

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

**Government grants**

Government grants are recognised based on the performance model and are measured at the fair value of the asset received or receivable. Grants are recognised in income where there are no performance conditions. If there are such performance conditions, then the income is deferred and recognised as deferred income within creditors.

**Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Tangible fixed assets**

Individual fixed assets costing £1,000.00 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:

| <b>Asset class</b>          | <b>Depreciation method and rate</b> |
|-----------------------------|-------------------------------------|
| Land and Buildings          | 2% Straight Line                    |
| Plant and Machinery         | 6.67% straight line                 |
| Motor vehicles              | 20% straight line                   |
| Other Tangible fixed assets | between 20% and 40% straight line   |

**Stock**

Stock is valued at the lower of cost and net realisable value.

**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 comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **Groundwork South and North Tyneside Limited**

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

#### **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.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the group.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

## Groundwork South and North Tyneside Limited

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

#### Pensions and other post retirement obligations

The group operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

The Charitable Company also operates a defined benefit contribution scheme through The Federation of Groundwork Trusts which is currently administered by Aegon Scottish Equitable. The scheme is available to all employees. The assets of the scheme are held separately from those of the Charitable Company. The annual contributions payable are charged to the statement of financial activities.

A few current and previous employees of the Charitable Company participate in Tyne and Wear Pension fund, a defined benefit scheme. However, the scheme is a multiple employer scheme and the Charitable Company is unable to identify its share of the underlying assets and liabilities. Contributions payable to the scheme are charged to the income and expenditure account so as to spread the cost of the pension over the employees' expected working life. The pension charge is calculated on the basis of actuarial advice. The contributions are invested separately from the Charitable Company's Assets.

#### Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### 3 Income from donations and legacies

|                                   | Unrestricted<br>funds<br>General<br>£ | Restricted<br>funds<br>£ | Total<br>2024<br>£ |
|-----------------------------------|---------------------------------------|--------------------------|--------------------|
| Donations and legacies;           |                                       |                          |                    |
| Donations                         | 20,547                                | -                        | 20,547             |
| Grants, including capital grants; |                                       |                          |                    |
| Grants                            | 10,000                                | -                        | 10,000             |
|                                   | <u>30,547</u>                         | <u>-</u>                 | <u>30,547</u>      |
|                                   | Unrestricted<br>funds<br>General<br>£ | Restricted<br>funds<br>£ | Total<br>2023<br>£ |
| Donations and legacies;           |                                       |                          |                    |
| Donations                         | 4,343                                 | -                        | 4,343              |
| Grants, including capital grants; |                                       |                          |                    |
| Government grants                 | 22,389                                | -                        | 22,389             |
| Grants                            | 10,180                                | 30,000                   | 40,180             |
|                                   | <u>36,912</u>                         | <u>30,000</u>            | <u>66,912</u>      |

## Groundwork South and North Tyneside Limited

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

#### 4 Income from charitable activities

|                                           | Unrestricted funds<br>Designated<br>£ | General<br>£                          | Restricted<br>funds<br>£ | Total<br>2024<br>£ |
|-------------------------------------------|---------------------------------------|---------------------------------------|--------------------------|--------------------|
| Project Income - Education-<br>Designated | 85,394                                | -                                     | -                        | 85,394             |
| Ten North East Activities                 | -                                     | 6,800                                 | 98,416                   | 105,216            |
| Better Places                             | -                                     | 158,617                               | 17,321                   | 175,938            |
| Corporate Services                        | -                                     | 104,011                               | -                        | 104,011            |
| Enriching Lives                           | -                                     | 552,405                               | 142,105                  | 694,510            |
| Raising Aspirations                       | -                                     | 21,581                                | 718,025                  | 739,606            |
| Sustainable Communities                   | -                                     | 220,429                               | 144,724                  | 365,153            |
|                                           | <u>85,394</u>                         | <u>1,063,843</u>                      | <u>1,120,591</u>         | <u>2,269,828</u>   |
|                                           |                                       | Unrestricted<br>funds<br>General<br>£ | Restricted<br>funds<br>£ | Total<br>2023<br>£ |
| Project Income - Employment/SEN           |                                       | 6,283                                 | 431,008                  | 437,291            |
| Project Income - Business                 |                                       | 307,374                               | 1,671                    | 309,045            |
| Project Income - Education- Designated    |                                       | 82,800                                | 49,804                   | 132,604            |
| Project Income - Communities              |                                       | 370,710                               | 399,485                  | 770,195            |
| Project Income - Land                     |                                       | 131,890                               | 35,675                   | 167,565            |
| Ten North East Activities                 |                                       | 4,855                                 | 234,910                  | 239,765            |
|                                           |                                       | <u>903,912</u>                        | <u>1,152,553</u>         | <u>2,056,465</u>   |

## Groundwork South and North Tyneside Limited

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

#### 5 Income from other trading activities

|                                | Unrestricted<br>funds<br>General<br>£ | Total<br>2024<br>£ |
|--------------------------------|---------------------------------------|--------------------|
| Income from trading subsidiary |                                       |                    |
| Trading income - Windmill      | 162,329                               | 162,329            |
|                                | <u>162,329</u>                        | <u>162,329</u>     |
|                                |                                       |                    |
|                                | Unrestricted<br>funds<br>General<br>£ | Total<br>2023<br>£ |
| Income from trading subsidiary |                                       |                    |
| Trading income - Windmill      | 157,677                               | 157,677            |
|                                | <u>157,677</u>                        | <u>157,677</u>     |

#### 6 Investment income

|                                           | Unrestricted<br>funds<br>General<br>£ | Total<br>2024<br>£ |
|-------------------------------------------|---------------------------------------|--------------------|
| Interest receivable and similar income;   |                                       |                    |
| Interest receivable on bank deposits      | 3,228                                 | 3,228              |
| Other income from fixed asset investments | 68,191                                | 68,191             |
|                                           | <u>71,419</u>                         | <u>71,419</u>      |
|                                           |                                       |                    |
|                                           | Unrestricted<br>funds<br>General<br>£ | Total<br>2023<br>£ |
| Interest receivable and similar income;   |                                       |                    |
| Interest receivable on bank deposits      | 1,887                                 | 1,887              |
| Income from rents from Eco Centre         | 93,143                                | 93,143             |
|                                           | <u>95,030</u>                         | <u>95,030</u>      |

**Groundwork South and North Tyneside Limited**

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

**7 Other income**

|              | Unrestricted<br>funds<br>General<br>£ | Total<br>2024<br>£ |
|--------------|---------------------------------------|--------------------|
| Other income | 19,456                                | 19,456             |
|              |                                       |                    |
|              | Unrestricted<br>funds<br>General<br>£ | Total<br>2023<br>£ |
| Other income | 970                                   | 970                |

Other income is recharges to external entities for staff time. and £10,000 rent rebate for Windmill Sustainable Business Solutions Limited

## Groundwork South and North Tyneside Limited

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

#### 8 Expenditure on charitable activities

|                           | Unrestricted<br>funds<br>General<br>£   | Restricted<br>funds<br>£          | Total<br>2024<br>£ |
|---------------------------|-----------------------------------------|-----------------------------------|--------------------|
| Ten North East Activities | 18,548                                  | 115,394                           | 133,942            |
| Better Places             | 159,124                                 | 17,281                            | 176,405            |
| Corporate Services        | 191,075                                 | -                                 | 191,075            |
| Enriching Lives           | 600,149                                 | 166,373                           | 766,522            |
| Raising Aspirations       | 17,270                                  | 694,897                           | 712,167            |
| Sustainable Communities   | 227,457                                 | 150,775                           | 378,232            |
| Support Costs             | 77,209                                  | -                                 | 77,209             |
|                           | <u>1,290,832</u>                        | <u>1,144,720</u>                  | <u>2,435,552</u>   |
|                           | Unrestricted<br>funds<br>General<br>£   | Restricted<br>funds<br>£          | Total<br>2023<br>£ |
| Employment/SEN            | 6,282                                   | 431,008                           | 437,290            |
| Business                  | 194,366                                 | 596                               | 194,962            |
| Education                 | 91,919                                  | 60,624                            | 152,543            |
| Communities               | 393,784                                 | 553,018                           | 946,802            |
| Land                      | 127,477                                 | 35,675                            | 163,152            |
| Ten North East Activities | 163,342                                 | 270,411                           | 433,753            |
|                           | <u>977,170</u>                          | <u>1,351,332</u>                  | <u>2,328,502</u>   |
|                           | Activity<br>undertaken<br>directly<br>£ | Activity<br>support<br>costs<br>£ | 2024<br>£          |
| Ten North East Activities | 133,942                                 | -                                 | 133,942            |
| Better Places             | 176,405                                 | 10,895                            | 187,300            |
| Corporate Services        | 191,075                                 | 11,746                            | 202,821            |
| Enriching Lives           | 766,522                                 | 37,944                            | 804,466            |
| Raising Aspirations       | 712,167                                 | 1,483                             | 713,650            |
| Sustainable Communities   | 378,232                                 | 15,141                            | 393,373            |
|                           | <u>2,358,343</u>                        | <u>77,209</u>                     | <u>2,435,552</u>   |

## Groundwork South and North Tyneside Limited

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

|                           | Activity<br>undertaken<br>directly<br>£ | Activity<br>support<br>costs<br>£ | 2023<br>£        |
|---------------------------|-----------------------------------------|-----------------------------------|------------------|
| Employment/SEN            | 338,585                                 | 98,705                            | 437,290          |
| Business                  | 125,046                                 | 69,916                            | 194,962          |
| Education                 | 123,754                                 | 28,789                            | 152,543          |
| Communities               | 769,955                                 | 176,847                           | 946,802          |
| Land                      | 126,137                                 | 37,015                            | 163,152          |
| Ten North East Activities | 359,961                                 | 73,792                            | 433,753          |
|                           | <u>1,843,438</u>                        | <u>485,064</u>                    | <u>2,328,502</u> |

In addition to the expenditure analysed above, there are also governance costs of £451,076 (2023 - £11,940) which relate directly to charitable activities. See note 9 for further details.

#### 9 Analysis of governance and support costs

##### Support costs allocated to charitable activities

|                | Employment<br>£ | Business<br>£ | Land<br>£     | Total<br>2024<br>£ |
|----------------|-----------------|---------------|---------------|--------------------|
| Premises Costs | -               | -             | 72,943        | 72,943             |
| Bank charges   | -               | 4,266         | -             | 4,266              |
|                | <u>-</u>        | <u>4,266</u>  | <u>72,943</u> | <u>77,209</u>      |

## Groundwork South and North Tyneside Limited

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

|                          | Employment    | Business      | Education     | Communities    | Land          | Ten North East Activities | Total 2023     |
|--------------------------|---------------|---------------|---------------|----------------|---------------|---------------------------|----------------|
|                          | £             | £             | £             | £              | £             | £                         | £              |
| Staff costs              | 14,281        | 10,115        | 4,165         | 25,587         | 5,355         | 49,474                    | 108,977        |
| Depreciation             | 18,937        | 13,414        | 5,523         | 33,930         | 7,102         | 2,835                     | 81,741         |
| Premises Costs           | 11,367        | 8,052         | 3,315         | 20,366         | 4,262         | -                         | 47,362         |
| Repairs and maintenance  | 6,778         | 4,801         | 1,977         | 12,143         | 2,542         | -                         | 28,241         |
| Security costs           | 3,416         | 2,420         | 996           | 6,121          | 1,281         | -                         | 14,234         |
| Office costs             | 17,102        | 12,114        | 4,988         | 30,641         | 6,413         | 3,604                     | 74,862         |
| Motor and travel         | 1,038         | 735           | 303           | 1,860          | 389           | 1,403                     | 5,728          |
| Bank charges             | 1,631         | 1,155         | 475           | 2,921          | 612           | 791                       | 7,585          |
| General expenses         | 1,343         | 949           | 391           | 2,401          | 503           | 4,166                     | 9,753          |
| Professional Fees        | 12,252        | 8,678         | 3,573         | 21,951         | 4,595         | 11,519                    | 62,568         |
| Groundwork UK Membership | 1,760         | 1,247         | 513           | 3,153          | 660           | -                         | 7,333          |
| Governance costs         | 8,803         | 6,235         | 2,568         | 15,773         | 3,301         | -                         | 36,680         |
|                          | <u>98,708</u> | <u>69,915</u> | <u>28,787</u> | <u>176,847</u> | <u>37,015</u> | <u>73,792</u>             | <u>485,064</u> |

Now the entity has installed Sage intact the projects are charged accordingly to their activity costs- hence the drop in support costs to £77,709, compared to £485,064, when support costs were allocated on a% basis.

The only support costs not allocated to projects are the building and office equipment deprectaion and Bank charges.

#### 10 Net incoming/outgoing resources

Net outgoing resources for the year include:

|                              | 2024<br>£      | 2023<br>£     |
|------------------------------|----------------|---------------|
| Audit fees                   | 12,500         | 11,700        |
| Depreciation of fixed assets | <u>108,449</u> | <u>91,173</u> |

#### 11 Trustees remuneration and expenses

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

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

## Groundwork South and North Tyneside Limited

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

#### 12 Staff costs

The aggregate payroll costs were as follows:

|                                          | 2024<br>£        | 2023<br>£        |
|------------------------------------------|------------------|------------------|
| <b>Staff costs during the year were:</b> |                  |                  |
| Wages and salaries                       | 1,384,131        | 1,289,207        |
| Social security costs                    | 97,514           | 79,226           |
| Pension costs                            | 68,975           | 70,222           |
|                                          | <u>1,550,620</u> | <u>1,438,655</u> |

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

|           | 2024<br>No | 2023<br>No |
|-----------|------------|------------|
| Full time | <u>58</u>  | <u>62</u>  |

The number of employees whose emoluments fell within the following bands was:

|                    | 2024<br>No | 2023<br>No |
|--------------------|------------|------------|
| £70,001 - £80,000  | 1          | -          |
| £90,001 - £100,000 | <u>-</u>   | <u>1</u>   |

The total employee benefits of the key management personnel of the group were £303,629 (2023 - £314,362).

#### 13 Auditors' remuneration

|                                   | 2024<br>£     | 2023<br>£     |
|-----------------------------------|---------------|---------------|
| Audit of the financial statements | <u>12,500</u> | <u>11,700</u> |

#### 14 Taxation

The group is a registered charity and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## Groundwork South and North Tyneside Limited

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

#### 15 Tangible fixed assets

##### Group

|                         | Land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | TEN Fixtures<br>£ | Total<br>£ |
|-------------------------|----------------------------|-----------------------------|------------------------|-------------------|------------|
| <b>Cost</b>             |                            |                             |                        |                   |            |
| At 1 April 2023         | 5,583,989                  | 229,504                     | 108,396                | 410,691           | 6,332,580  |
| Additions               | 22,007                     | -                           | -                      | 37,692            | 59,699     |
| Disposals               | -                          | -                           | (37,628)               | (345,015)         | (382,643)  |
| At 31 March 2024        | 5,605,996                  | 229,504                     | 70,768                 | 103,368           | 6,009,636  |
| <b>Depreciation</b>     |                            |                             |                        |                   |            |
| At 1 April 2023         | 3,388,528                  | 203,763                     | 52,759                 | 392,830           | 4,037,880  |
| Charge for the year     | 73,166                     | 17,605                      | 16,486                 | 1,192             | 108,449    |
| Eliminated on disposals | -                          | -                           | (37,628)               | (345,015)         | (382,643)  |
| At 31 March 2024        | 3,461,694                  | 221,368                     | 31,617                 | 49,007            | 3,763,686  |
| <b>Net book value</b>   |                            |                             |                        |                   |            |
| At 31 March 2024        | 2,144,302                  | 8,136                       | 39,151                 | 54,361            | 2,245,950  |
| At 31 March 2023        | 2,195,461                  | 25,741                      | 55,637                 | 17,861            | 2,294,700  |

Included within the net book value of land and buildings above is £1,401,491 (2023 - £1,454,492) in respect of freehold land and buildings and £742,811 (2023 - £740,969) in respect of leaseholds.

##### Charity

|                         | Land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Other<br>tangible fixed<br>asset<br>£ | Total<br>£ |
|-------------------------|----------------------------|-----------------------------|------------------------|---------------------------------------|------------|
| <b>Cost</b>             |                            |                             |                        |                                       |            |
| At 1 April 2023         | 5,583,989                  | 212,599                     | 108,396                | 387,180                               | 6,292,164  |
| Additions               | 22,007                     | -                           | -                      | 37,692                                | 59,699     |
| Disposals               | -                          | -                           | (37,628)               | (345,015)                             | (382,643)  |
| At 31 March 2024        | 5,605,996                  | 212,599                     | 70,768                 | 79,857                                | 5,969,220  |
| <b>Depreciation</b>     |                            |                             |                        |                                       |            |
| At 1 April 2023         | 3,388,528                  | 186,858                     | 52,760                 | 370,511                               | 3,998,657  |
| Charge for the year     | 73,166                     | 17,605                      | 16,485                 | -                                     | 107,256    |
| Eliminated on disposals | -                          | -                           | (37,628)               | (345,015)                             | (382,643)  |
| At 31 March 2024        | 3,461,694                  | 204,463                     | 31,617                 | 25,496                                | 3,723,270  |

## Groundwork South and North Tyneside Limited

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

|                       | Land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Other<br>tangible fixed<br>asset<br>£ | Total<br>£       |
|-----------------------|----------------------------|-----------------------------|------------------------|---------------------------------------|------------------|
| <b>Net book value</b> |                            |                             |                        |                                       |                  |
| At 31 March 2024      | <u>2,144,302</u>           | <u>8,136</u>                | <u>39,151</u>          | <u>54,361</u>                         | <u>2,245,950</u> |
| At 31 March 2023      | <u>2,195,461</u>           | <u>25,741</u>               | <u>55,636</u>          | <u>16,669</u>                         | <u>2,293,507</u> |

The Charitable Company has two commercial property partnerships that contribute to the fixed assets of the Charitable Company, below is an overview of the partnerships.

One Trinity Green (OTG) - The Charitable Company, in partnership with South Tyneside Council and with ERDF funding support, constructed OTG in 2012 to support the regeneration of the Laygate area of South Shields. The Charitable Company has a 25% share in OTG that equates to £786,756 of Land and Buildings within the financial statements; and

The Beacon - The Charitable Company, in partnership with Centre West Charitable Trust and with ERDF funding support, constructed The Beacon Community Enterprise Hub in 2011/12. The 125 year collaboration aims to assist in the regeneration of the West End of Newcastle. The Charitable Company has a 42.39% share in The Beacon that equates to £759,952 of Land and Buildings within the financial statements.

Included within the net book value of land and buildings above is £1,401,491 (2023 - £1,454,492) in respect of freehold land and buildings and £742,811 (2023 - £740,969) in respect of leaseholds.

#### 16 Fixed asset investments

##### Group

|                                                          | 2024<br>£ | 2023<br>£ |
|----------------------------------------------------------|-----------|-----------|
| Shares in group undertakings and participating interests | -         | -         |

##### Charity

|                                                          | 2024<br>£ | 2023<br>£ |
|----------------------------------------------------------|-----------|-----------|
| Shares in group undertakings and participating interests | <u>3</u>  | <u>3</u>  |

## Groundwork South and North Tyneside Limited

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

#### Shares in group undertakings and participating interests

|                       | Subsidiary undertakings<br>£ | Total<br>£ |
|-----------------------|------------------------------|------------|
| <b>Cost</b>           |                              |            |
| At 1 April 2023       | 3                            | 3          |
| At 31 March 2024      | 3                            | 3          |
| <b>Net book value</b> |                              |            |
| At 31 March 2024      | 3                            | 3          |
| At 31 March 2023      | 3                            | 3          |

#### Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

| Undertaking                                     | Country of incorporation | Holding     | Proportion of voting rights and shares held |      |
|-------------------------------------------------|--------------------------|-------------|---------------------------------------------|------|
|                                                 |                          |             | 2024                                        | 2023 |
| Subsidiary undertakings                         |                          |             |                                             |      |
| Windmill Sustainable Business Solutions Limited | England and Wales        | Equity      | 100%                                        | 100% |
| Ten North East Limited                          | England and Wales        | Sole Member | 100%                                        | 100% |

#### Subsidiaries

The loss for the financial period of Windmill Sustainable Business Solutions Limited was £2,724 (2023 - surplus of (£4,759)) and the aggregate amount of capital and reserves at the end of the period was £391 (2023 - £7,594).

The loss for the financial period of Ten North East Limited was £13,537 (2023 - surplus of (£2,443)) and the aggregate amount of capital and reserves at the end of the period was £48,720 (2023 - £62,257).

## Groundwork South and North Tyneside Limited

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

#### 17 Stock

|                  | Group        |              | Charity  |          |
|------------------|--------------|--------------|----------|----------|
|                  | 2024         | 2023         | 2024     | 2023     |
|                  | £            | £            | £        | £        |
| Work in progress | <u>3,140</u> | <u>8,580</u> | <u>1</u> | <u>-</u> |

#### 18 Debtors

|                             | Group          |                | Charity        |                |
|-----------------------------|----------------|----------------|----------------|----------------|
|                             | 2024           | 2023           | 2024           | 2023           |
|                             | £              | £              | £              | £              |
| Trade debtors               | 217,239        | 274,354        | 215,303        | 257,414        |
| Due from group undertakings | -              | -              | 64,654         | 27,766         |
| Prepayments                 | 24,634         | 18,264         | 14,634         | 18,264         |
| Accrued income              | 109,155        | 159,286        | 91,355         | 159,286        |
| Other debtors               | <u>53,326</u>  | <u>96,471</u>  | <u>52,839</u>  | <u>78,164</u>  |
|                             | <u>404,354</u> | <u>548,375</u> | <u>438,785</u> | <u>540,894</u> |

#### 19 Cash and cash equivalents

|              | Group          |                | Charity        |                |
|--------------|----------------|----------------|----------------|----------------|
|              | 2024           | 2023           | 2024           | 2023           |
|              | £              | £              | £              | £              |
| Cash at bank | <u>491,376</u> | <u>593,032</u> | <u>388,095</u> | <u>505,102</u> |

#### 20 Creditors: amounts falling due within one year

|                                    | Group          |                | Charity        |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | 2024           | 2023           | 2024           | 2023           |
|                                    | £              | £              | £              | £              |
| Bank loans                         | 9,282          | 9,282          | 9,282          | 9,282          |
| Trade creditors                    | 70,405         | 199,264        | 60,990         | 193,837        |
| Other taxation and social security | 17,978         | 12,947         | 16,229         | 12,581         |
| VAT                                | 34,749         | 23,965         | 34,749         | 23,965         |
| Other creditors                    | 10,654         | 18,273         | 10,431         | 18,273         |
| Accruals and deferred income       | <u>238,038</u> | <u>378,275</u> | <u>226,548</u> | <u>354,008</u> |
|                                    | <u>381,106</u> | <u>642,006</u> | <u>358,229</u> | <u>611,946</u> |

## Groundwork South and North Tyneside Limited

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

#### Deferred income

##### Group

|                                        | 2024<br>£      | 2023<br>£      |
|----------------------------------------|----------------|----------------|
| Deferred income at 1 April 2023        | 300,823        | 262,170        |
| Resources deferred in the period       | 157,268        | 300,823        |
| Amounts released from previous periods | (300,823)      | (262,170)      |
| Deferred income at year end            | <u>157,268</u> | <u>300,823</u> |

#### 21 Creditors: amounts falling due after one year

|            | Group         |               | Charity       |               |
|------------|---------------|---------------|---------------|---------------|
|            | 2024<br>£     | 2023<br>£     | 2024<br>£     | 2023<br>£     |
| Bank loans | <u>13,994</u> | <u>23,935</u> | <u>13,994</u> | <u>23,935</u> |

The loan detailed above is a Bounce Back Loan that was obtained in July 2020. The loan period was agreed as six years with an interest rate of 2.5% above Bank of England base rate. The loan will be fully repaid in July 2026. No security was provided against the loan.

#### 22 Obligations under leases and hire purchase contracts

##### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

|                            | Group<br>2024<br>£ | Charity<br>2024<br>£ |
|----------------------------|--------------------|----------------------|
| Other                      |                    |                      |
| Within one year            | 1,561              | 1,561                |
| Between one and five years | <u>5,373</u>       | <u>5,373</u>         |
|                            | <u>6,934</u>       | <u>6,934</u>         |

#### 23 Pension and other schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £68,975 (2023 - £70,222).

Contributions totalling 10,654 (2023 - £18,393) were payable to the scheme at the end of the year and are included in creditors.

## Groundwork South and North Tyneside Limited

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

#### 24 Funds

##### Group

|                                 | Balance at<br>1 April<br>2023<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£  | Balance at<br>31 March<br>2024<br>£ |
|---------------------------------|------------------------------------|----------------------------|----------------------------|-----------------|-------------------------------------|
| <b>Unrestricted funds</b>       |                                    |                            |                            |                 |                                     |
| <i>General</i>                  |                                    |                            |                            |                 |                                     |
| General funds                   | 2,676,266                          | 1,347,594                  | (1,437,885)                | (10,962)        | 2,575,013                           |
| <i>Designated</i>               |                                    |                            |                            |                 |                                     |
| Education Fund                  | -                                  | 85,394                     | -                          | -               | 85,394                              |
| <b>Total unrestricted funds</b> | <u>2,676,266</u>                   | <u>1,432,988</u>           | <u>(1,437,885)</u>         | <u>(10,962)</u> | <u>2,660,407</u>                    |
| <b>Restricted funds</b>         |                                    |                            |                            |                 |                                     |
| Communities                     | 77,947                             | -                          | -                          | (77,947)        | -                                   |
| Ten North East Activities       | 24,533                             | 98,416                     | (115,394)                  | -               | 7,555                               |
| Sustainable Communities         | -                                  | 144,724                    | (150,775)                  | 83,998          | 77,947                              |
| Raising Aspirations             | -                                  | 718,025                    | (694,897)                  | (19,357)        | 3,771                               |
| Better Places                   | -                                  | 17,321                     | (17,281)                   | -               | 40                                  |
| Enriching Lives                 | -                                  | 142,105                    | (166,373)                  | 24,268          | -                                   |
| <b>Total restricted funds</b>   | <u>102,480</u>                     | <u>1,120,591</u>           | <u>(1,144,720)</u>         | <u>10,962</u>   | <u>89,313</u>                       |
| <b>Total funds</b>              | <u>2,778,746</u>                   | <u>2,553,579</u>           | <u>(2,582,605)</u>         | <u>-</u>        | <u>2,749,720</u>                    |
|                                 | Balance at<br>1 April<br>2022<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£  | Balance at<br>31 March<br>2023<br>£ |
| <b>Unrestricted funds</b>       |                                    |                            |                            |                 |                                     |
| <i>General</i>                  |                                    |                            |                            |                 |                                     |
| General funds                   | 2,725,180                          | 1,194,501                  | (1,130,088)                | (113,327)       | 2,676,266                           |
| <b>Restricted funds</b>         |                                    |                            |                            |                 |                                     |
| Business                        | -                                  | 1,671                      | (596)                      | (1,075)         | -                                   |
| Education                       | -                                  | 49,804                     | (60,624)                   | 10,820          | -                                   |
| Communities                     | 127,898                            | 399,485                    | (553,018)                  | 103,582         | 77,947                              |
| Land                            | -                                  | 35,675                     | (35,675)                   | -               | -                                   |
| Ten North East Activities       | 30,034                             | 264,910                    | (270,411)                  | -               | 24,533                              |
| SEN Provision                   | -                                  | 431,008                    | (431,008)                  | -               | -                                   |
| <b>Total restricted funds</b>   | <u>157,932</u>                     | <u>1,182,553</u>           | <u>(1,351,332)</u>         | <u>113,327</u>  | <u>102,480</u>                      |
| <b>Total funds</b>              | <u>2,883,112</u>                   | <u>2,377,054</u>           | <u>(2,481,420)</u>         | <u>-</u>        | <u>2,778,746</u>                    |

## Groundwork South and North Tyneside Limited

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

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

Ten North East activities comprise fourteen funds with the aims of supporting Long Term Unemployed and Supporting Young People. Further information on those funds is available within the financial statements of TEN.

Other restricted funds represent project fund income which has been received to enable specific projects to be undertaken in the year.

#### 25 Analysis of net assets between funds

##### Group

|                                  | Unrestricted     |               | Restricted    | Total funds      |
|----------------------------------|------------------|---------------|---------------|------------------|
|                                  | General          | Designated    |               |                  |
|                                  | £                | £             | £             | £                |
| Tangible fixed assets            | 2,245,950        | -             | -             | 2,245,950        |
| Net current assets/(liabilities) | 343,057          | 85,394        | 89,313        | 517,764          |
| Creditors over 1 year            | (13,994)         | -             | -             | (13,994)         |
| Total net assets                 | <u>2,575,013</u> | <u>85,394</u> | <u>89,313</u> | <u>2,749,720</u> |

|                                  | Unrestricted     |                | Total funds<br>at 31 March<br>2023 |
|----------------------------------|------------------|----------------|------------------------------------|
|                                  | General          | Restricted     |                                    |
|                                  | £                | £              | £                                  |
| Tangible fixed assets            | 2,294,700        | -              | 2,294,700                          |
| Net current assets/(liabilities) | 405,501          | 102,480        | 507,981                            |
| Creditors over 1 year            | (23,935)         | -              | (23,935)                           |
| Total net assets                 | <u>2,676,266</u> | <u>102,480</u> | <u>2,778,746</u>                   |

#### 26 Analysis of net funds

##### Group

|                                   | At 1 April<br>2023 | Financing<br>cash flows | At 31 March<br>2024 |
|-----------------------------------|--------------------|-------------------------|---------------------|
|                                   | £                  | £                       | £                   |
| Cash at bank and in hand          | 593,032            | (101,656)               | 491,376             |
| Debt due within one year          | (9,282)            | -                       | (9,282)             |
| Debt due after more than one year | (23,935)           | 9,941                   | (13,994)            |
| Net debt                          | <u>559,815</u>     | <u>(91,715)</u>         | <u>468,100</u>      |

## Groundwork South and North Tyneside Limited

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

|                                   | At 1 April<br>2022 | Financing<br>cash flows | At 31 March<br>2023 |
|-----------------------------------|--------------------|-------------------------|---------------------|
|                                   | £                  | £                       | £                   |
| Cash at bank and in hand          | 434,362            | 158,670                 | 593,032             |
| Debt due within one year          | (9,451)            | 169                     | (9,282)             |
| Debt due after more than one year | (33,049)           | 9,114                   | (23,935)            |
| Net funds                         | <u>391,862</u>     | <u>167,953</u>          | <u>559,815</u>      |

#### 27 Related party transactions

##### Group

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

##### Groundwork North East

(Common Trustees)

D Pearce and A Thurston, trustees of the charitable company are also trustees of Groundwork North East. During the year ended 31 March 2024 the company procured goods and services from Groundwork North East amounting to £25,583 (2023: £Nil) and made sales to Groundwork North East amounting to £38,549 (2023: £83,602). At the balance sheet date the amount due from Groundwork North East was £12,965 (2023 - £Nil).

##### Charity

#### 28 Collaborations

As explained in note 15 of the financial statements, Groundwork has two long-term legally binding collaborations, below is an overview of the collaboration.

One Trinity Green (OTG) - The Charitable Company has a long-term collaboration with South Tyneside Council in the development and management of OTG Business Centre. The collaboration is to support the regeneration of the Laygate area of South Shields and development of a Business incubator that supports new and emerging business leading to business growth and employment opportunities. Through the collaboration, the Charitable Company has a 25% share in OTG.

The Beacon - The Charitable Company has a 125 year collaboration with Centre West Charitable Trust in the development and management of the Beacon Community Enterprise Hub. The collaboration is to support the regeneration of the West End of Newcastle as well as furthering the aims of the two charitable companies. The ethos of the centre is to provide affordable flexible office spaces and artisan workshops to local new and emerging businesses that support the partners' charitable aims. The Charitable Company has nominated two representatives onto The Beacon Partnership Board.

Through the collaboration, the Charitable Company has a 42.39% share in The Beacon. In accordance with Financial Reporting Statement 9 - Accounting for associates, joint ventures and joint arrangements, these financial statements recognise only Groundwork South and North Tyneside's share of the income, expenditure, asset and liabilities of the collaboration project for The Beacon Partnership.

## Groundwork South and North Tyneside Limited

### Comparative Consolidated Statement of Financial Activities for the Year Ended 31 March 2023

#### (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

|                                    | Note | Unrestricted<br>£  | Restricted<br>£    | Total<br>2023<br>£ |
|------------------------------------|------|--------------------|--------------------|--------------------|
| <b>Income and Endowments from:</b> |      |                    |                    |                    |
| Donations and legacies             | 3    | 36,912             | 30,000             | 66,912             |
| Charitable activities              | 4    | 903,912            | 1,152,553          | 2,056,465          |
| Other trading activities           | 5    | 157,677            | -                  | 157,677            |
| Investment income                  | 6    | 95,030             | -                  | 95,030             |
| Other income                       | 7    | 970                | -                  | 970                |
| Total income                       |      | <u>1,194,501</u>   | <u>1,182,553</u>   | <u>2,377,054</u>   |
| <b>Expenditure on:</b>             |      |                    |                    |                    |
| Raising funds                      |      | (152,918)          | -                  | (152,918)          |
| Charitable activities              | 8    | <u>(977,170)</u>   | <u>(1,351,332)</u> | <u>(2,328,502)</u> |
| Total expenditure                  |      | <u>(1,130,088)</u> | <u>(1,351,332)</u> | <u>(2,481,420)</u> |
| Net income/(expenditure)           |      | 64,413             | (168,779)          | (104,366)          |
| Transfers between funds            |      | <u>(113,327)</u>   | <u>113,327</u>     | <u>-</u>           |
| Net movement in funds              |      | (48,914)           | (55,452)           | (104,366)          |
| <b>Reconciliation of funds</b>     |      |                    |                    |                    |
| Total funds brought forward        |      | <u>2,725,180</u>   | <u>157,932</u>     | <u>2,883,112</u>   |
| Total funds carried forward        | 24   | <u>2,676,266</u>   | <u>102,480</u>     | <u>2,778,746</u>   |

**Groundwork South and North Tyneside Limited**

England & Wales - Charity number 1007918

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# Accounts

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Company registration number: 02592100

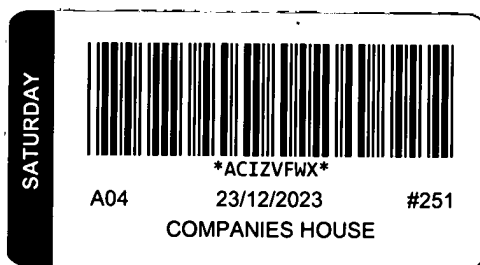
Charity registration number: 1007918

# GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023



**Groundwork South and North Tyneside Limited**

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## **Groundwork South and North Tyneside Limited**

### **Reference and Administrative Details**

|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trustees</b>                    | D C Pearce, Chair<br>M J Cuthbertson, Vice Chair<br>J D Owen, Treasurer<br>A Whittaker<br>A Siddall (resigned 2 March 2023)<br>Dr C A Ferguson<br>D J O'Mahoney<br>C A Donnelly (resigned 6 June 2023)<br>D Turton<br>A R Thurston<br>M S Overton<br>S Broadhurst (appointed 16 June 2022)<br>K Crews (appointed 16 June 2022)<br>Cllr S Dean (appointed 22 September 2022)<br>S Brand<br>J R Cripps<br>Cllr A Strike (resigned 21 July 2022)<br>R Lee (appointed 23 October 2023)<br>S Brown (appointed 23 October 2023) |
| <b>Key Management Personnel</b>    | Mr A Watts, Chief Executive Officer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Registered Office</b>           | The Eco Centre<br>Windmill Way<br>Hebburn<br>Tyne & Wear<br>NE31 1SR<br>The charity is incorporated in England and Wales.                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Company Registration Number</b> | 02592100                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Charity Registration Number</b> | 1007918                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Solicitors</b>                  | PGS Law<br>Law Court Chambers<br>Waterloo Square<br>South Shields<br>Tyne and Wear<br>NE33 1AW                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Bankers</b>                     | Royal Bank of Scotland<br>Newcastle<br>31 Grey St<br>Newcastle upon Tyne<br>NE1 6ES                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Auditor</b>                     | Azets Audit Services<br>Bulman House<br>Regent Centre<br>Gosforth<br>Newcastle upon Tyne<br>NE3 3LS                                                                                                                                                                                                                                                                                                                                                                                                                       |

# **Groundwork South and North Tyneside Limited**

## **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2023.

The Trustees have adopted the provisions of the Charities SORP (FRS 102 - 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, effective 1 January 2019). The accounts have been prepared in accordance with the Companies Act 2006.

The following information about the financial year 2022/23 is presented in the format required by The Charity Commission.

### **1. Overview**

#### **1.1 Organisational Structure and Decision Making**

Groundwork South and North Tyneside is one of a national network of eighteen independent Charitable Trusts, and is part of the Groundwork Federation.

The Groundwork Federation is a national regeneration organisation working with partners to improve the quality of the local environment, the lives of local people and the success of local businesses in those areas in need of investment and support. The Federation supports the independent charitable trusts with external funding, development of national programmes, business development, national campaigns and distribution of national policies.

#### **1.2 Vision**

Groundwork's vision is of a society made up of sustainable communities which are vibrant, healthy and safe, which value the local and global environment and where individuals and enterprise prosper.

Groundwork's purpose is to build sustainable communities through joint action.

## **2. CHARITABLE COMPANY GOVERNANCE, STRUCTURE OBJECTIVES AND ACTIVITIES**

### **2.1 Governing Constitution**

The Charitable Company is a charitable company limited by guarantee and was set up by a Memorandum of Association on 15 March 1991. There are three Company Members each of whom have undertaken to contribute an amount not exceeding £1 in the event of winding up. The Members are:

The Federation of Groundwork Trusts

South Tyneside Metropolitan Borough Council

North East England Chamber of Commerce

The Charitable Company is constituted under a Memorandum of Association dated 15 March 1991 and is a registered charity number 1007918. The principal object of the Charitable Company is to build sustainable communities through joint action. The Charitable Company's memorandum and articles of association were amended in June 2017 to include cultural and heritage activities.

## **Groundwork South and North Tyneside Limited**

### **Trustees' Report**

The Charitable Company is governed by a Board of Trustees comprising of both co-opted and nominated individuals / representatives who are elected and re-elected on a 3 year term under the terms of the Articles of Association.

Any nominated co-opted Trustee must be endorsed by the Board of Trustees before being appointed.

The Trustees of the Charitable Company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

The charitable company has a procedure for the induction of new Trustees to ensure that all necessary information and governance procedures are fully understood. The induction also includes tours of the organisation's assets and projects to obtain first-hand experience of the range of services.

The Charitable Trust ensures that it manages the challenging operating environment due to the current economic climate; the Trust continues to split the annual Key Performance Indicator's (KPIs) into three business priority areas, finance, development and quality which form the basis of sub committees' of the main Board. The priority areas will form the basis for our business model for the forthcoming year.

#### **2.2 Resources Committee**

This priority will concentrate on financial and business management through short term performance management, cost efficiencies and maintaining quality standards to ensure that we deliver quality services within budget and timescales.

Through the performance management framework, the Trust will review the following areas on a regular basis and implement the necessary action plans.

- Operation Portfolio Updates including performance
- Financial Updates & Management
- Staffing / H&R
- Property & Asset Strategy

#### **2.3 Business Controls, Systems and Compliance and Committee**

This priority will focus on business development to ensure the Trust maximises business opportunities in-line with our 5 year strategy, whilst responding to emerging markets within the private and public sector. To support the regional collaboration, this committee has become a Joint NE committee with Trustees from our sister Trust GW North East & Cumbria; this new framework ensures a regional approach to business development, building on knowledge and avoiding duplication.

The management team will develop a framework to monitor progress against the below areas:

- Health & Safety
- Safeguarding
- ISO 14001
- GDPR / ICT
- Equality & Diversity
- Net Zero Action Plan
- Matrix

## **Groundwork South and North Tyneside Limited**

### **Trustees' Report**

#### **2.4. Route 2 Work Governors**

To oversee the quality, compliance and learning standards at our Route 2 Work College, the Charitable Company has established Governors Committee. The role of the committee is to support and challenges the quality of the outcomes, achievements, personal development and quality improvement plan. The Committee provide the full Board with a quarterly update on progress.

#### **2.5 Jarrow Hall Managing Committee**

To oversee the implementation and monitoring of the Masterplan as well as measuring our impact and outcomes against the investment principles, the Charitable Company has created a Jarrow Hall Committee. The role of the committee is to support the outcomes and actions of the Masterplan whilst overseeing the activity and engagement at the Bede Museum and Anglo-Saxon Farm.

The Committee provide the full Board with a regular progress report.

#### **2.6 Charitable Company Objectives**

In setting the governing objects, strategic objectives and plans for the future, the Trustees have given due consideration to general guidance published by the charity commission relating to public benefit.

The governing objects of the charitable company are:

1. To promote the conservation, protection and improvement of the physical and natural environment anywhere within the local Government boundaries of the Metropolitan Boroughs of South Tyneside and North Tyneside.

2. 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 in the Metropolitan Boroughs of South Tyneside and North Tyneside.

3. To advance public education in environmental matters and of the ways of better conserving, protecting and improving the same where so ever.

4 To promote for the public benefit, urban or rural regeneration in areas of social and economic deprivation within the Metropolitan Boroughs of South Tyneside and North Tyneside by all or any of the following means:

4.1 The relief of poverty in such ways as may be thought fit;

4.2 The relief of unemployment in such ways as may be thought fit including assistance to find employment;

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

5. To provide facilities in the interests of social welfare for recreational, cultural and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting in the Metropolitan Boroughs of South Tyneside and North Tyneside through:

*(a) The operation of leisure, cultural and heritage sites, venues or projects;*

## **Groundwork South and North Tyneside Limited**

### **Trustees' Report**

*(b) Holding or owning a historic or cultural collection;*

6. To promote sustainable development for the benefit of the public by:

(a) preservation, conservation and the protection of the environment and the prudent use of resources,

(b) the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities;

(c) the promotion of sustainable means of achieving economic and social growth and regeneration.

7. 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.

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

9. To promote the efficiencies and the effectiveness of the Voluntary Sector for the benefit of the public by the provision of information, support and advice to local community groups

#### **2.7 Strategic Objectives**

To achieve the above objects, the charitable company uses the following six major areas of work to maximise the impact to the communities it serves:

Working with **communities** to build stronger neighbourhoods.

Working to realise the potential of **young people**.

Through **education**, promoting learning, citizenship and sustainability.

Working to reconnect people with **places**.

Working to provide training for **employment** and stimulating **enterprise**.

Working to help **businesses** succeed.

In addition to the above Groundwork delivers three cross cutting themes:

We promote health and well-being by providing the facilities and support to help people become more physically active and make healthier lifestyle choices.

We work closely with housing organisations to plan neighbourhood wide improvements, raise the quality of the housing stock and engage communities to promote greater cohesion.

We promote sustainability and combating climate change by encouraging adults and children to change their behaviour.

## **Groundwork South and North Tyneside Limited**

### **Trustees' Report**

#### **2.8 Contribution of Volunteers to deliver strategic objectives**

A continued support mechanism to the charitable company are volunteers both corporate and local community who provide invaluable support to local projects and supporting local communities. Over the past few years, the charitable company has developed its corporate volunteering model with the continued support of SAGE.

The charitable company has a core of project volunteers who provide support and dedication on a weekly basis to support community projects or local sites such as Jarrow Hall and West Boldon Lodge. To support the recommencement of our programmes post pandemic the volunteering opportunities have increased, thanks to the dedication of our volunteers and additional controls they provided over 15,170 volunteering hours to support our vision of changing places, changing lives which equates in total to over £94k in volunteer time.

### **3. OPERATIONAL ACHIEVEMENTS AND FINANCIAL PERFORMANCE**

#### **3.1 Operational Performance**

We tackle these inequalities as we continue to work with partners to build green jobs and deliver across four main areas, Empowering Sustainable Communities, Raising Aspirations, Creating Better Places and Enriching Lives Through Culture and Heritage, in the places that need it most.

The financial performance in 2022/23 was very stable. Through a wide range of contracts, commissions and grants from Government, Funders and Partners, the Charitable Company was able to access significant new funds to support our work within our communities which were needed more than ever.

During the year, the charitable company integrated a number of new operating systems and controls that enable our projects and services to operate in a very controlled and safe environment. To support staff, the charitable company has made significant improvements and operating changes to enable the management of an ever changing activity portfolio effectively and further work has been undertaken on operating systems to maximise the benefits of agile working.

During the year, the Charitable Company major partnership assets at One Trinity Green and The Beacon continued to increase occupancy and directly support the charitable aims through business support, training and enterprise. The Charitable Company's traditional operations remain stable with growth within the majority of the portfolios which has allowed the Charitable Company to manage the financial changes as mentioned within the report.

## **Groundwork South and North Tyneside Limited**

### **Trustees' Report**

The Charitable Company secured and received a variety of grants including:

- National Lottery Fund Grant received from the Local Trust for the development of the Central Jarrow Big Local initiative to support the staffing and community development of the Big Local.
- National Lottery Fund Grant received from the Local Trust Gardening and Landscaping for Central Jarrow Big Local to undertake local community land projects in Central Jarrow.
- Green Space Forum - National Lottery Community Fund Grant to support local parks community groups / charities with advice, guidance and support.
- National Lottery Community Fund ongoing delivery of Marsden Says to support the development of community programmes and resilience at Marsden Road Centre.
- Museum Development North East for display equipment at Jarrow Hall to enhance the cultural offer.
- LEAP through Agility Eco support people living in poverty and the development of the Green Doctor Service to provide energy efficiency advice and implement energy measures.
- National Lottery Heritage Fund / Green Recovery Challenge Fund in partnership with Groundwork UK to deliver local community and employment related projects under Natural Neighbourhoods programme.
- Sage Foundation to support Jarrow Hall site development and corporate volunteering opportunities for local Sage employees.
- Community Foundation to support local community Jubilee Celebrations and delivery additional Energy Advice and Guidance via Green Doctors.
- Kickstart Programmes, through the Government scheme, we delivered this programme we partnered with South Tyneside Council, Groundwork North East & Cumbria and Groundwork UK to deliver unemployment programmes for young people.
- Holiday Activity and Food Fund, in partnership with South Tyneside Council, we delivered a programme of targeted clubs through school holidays to targets families.
- National Lottery Community Fund Awards for All, to Green Doctor Energy advice and guidance.
- Hadrian Trust to support social action opportunities for young people at Jarrow Hall.
- Sport England to support physical activity for Roue2Work College learners with SEN.
- Know our Neighbourhood social action grant to reduce isolation and improve mental wellbeing.
- John Lewis to support Forest School activity for vulnerable children at West Boldon Lodge.
- Newcastle Building Society to support community activity at Marsden Road Health and Wellbeing Centre.
- AIM New Audiences and New Ideas to engage young people in "A Climate Changed" co-created exhibition at Jarrow Hall.

## **Groundwork South and North Tyneside Limited**

### **Trustees' Report**

- Inspire to support development of Warm Space at Marsden Road Health and Wellbeing Centre.
- Northern Power Grid in partnership with Groundwork Yorkshire for Green Doctor Energy Advice and Guidance.
- National Lottery Community Fund in partnership with Groundwork in the North (Groundwork CLAM lead partner) to deliver Green Community Hubs via West Boldon Lodge.
- Alternative Education Provision, through a framework with North Tyneside Council delivery commenced to support young people.
- National Lottery Climate Action Fund, a partnership grant was secured to delivery pilot Bulky Waste Sustainability Hub project in partnership with South Tyneside Council.
- National Lottery Heritage Fund, to delivery 'Skills for the Past for the Future' at Jarrow Hall.

In addition, the Charitable Company continued to deliver a number of service contracts, these service contracts allowed the Charitable Company to deliver quality outcomes through inspiring people and creating greener spaces for people to live, work and play.

### **3.2 Contribution to Local Communities**

Set out below are some of the ways in which our activities have helped the communities we serve:

#### **3.2.1 Creating Better Places**

It has been proven beyond doubt that having access to good quality green space - a local park, allotment or play area - improves our health and wellbeing and supports children's educational and social development. The projects we deliver provide a meaningful opportunity for us to work with local communities to have a say around the quality of their local environment and support practical activities that create enhanced green spaces for people to live, work and play.

Last year, Groundwork:

- Supported over 15,170 hours of community volunteering hours.
  - Support 52 young people through the Governments Kickstart Scheme
  - Improved 86 acres of community green space and woodland.
  - Supported 47 community groups to carry out local projects.
- 
- Supported over 7300 hours of community volunteering hours.
  - Support 42 young people through the Governments Kickstart Scheme
  - Improved 79 acres of community woodland.
  - Supported 31 community groups to carry out local projects.

#### **3.2.2 Improving People's Prospects**

We believe that a person's background or circumstances shouldn't hinder their future prospects and we are committed to ensuring that those we support receive the help they need to realise their true potential. A unique approach is designed to benefit both individuals, the local environment and neighbourhoods. We provide opportunities for people to further their education, training and employment prospects by providing grass root solutions.

## **Groundwork South and North Tyneside Limited**

### **Trustees' Report**

Last year, Groundwork;

- Supported school children with cultural and environmental education to 160 schools.
- Supported over 800 young people
- Helped 34 specialist needs learners with education and training.

#### **3.2.3 Promoting Greener Living and Working.**

Building sustainable communities involves changing behaviours, through our project we have helped individuals, households and whole organisations think and act differently to conserve natural resources as well as providing practical solutions to help reduce household bills and improve health and wellbeing.

Last year, Groundwork:

- Supported 151 households with energy advice
- Identified new income / savings of over £20,000
- New community shop channeled over 1000 items into the circular economy and recycling 84 tonnes of items.

#### **3.3 External Challenging Factors Relevant to Achieve Objectives**

The continued reduction of public sector funding has had an effect on grants provided to the charitable sector. This alongside increased demand on grant funding bodies has resulted in fewer grant applications being funded and therefore the Charitable Company continues to look at self-financing models and the introduction of financial contribution to selected community based services.

In addition to the above challenges, the economic climate has reduced the number of job opportunities for the beneficiaries completing our Employment & Skills programmes which has led to a smaller number than anticipated entering the field of employment. We continue to work with partners to look at new opportunities of embedding further support mechanisms into our employment programmes to provide the best possible support packages to individuals to prepare them for the labour market.

#### **3.4 Financial Performance**

The Charitable Company's and its group had a total income of £2,377,054 compared to £2,009,368 last year.

The statutory position for the year shows a loss of £104k, however, this loss includes £85.8k depreciation linked to our asset portfolio and £40k group reserve under SORP FR102 relating to community project released in prior years. The operational performance shows small operating surplus of £15.8K

During the financial year the Charitable Company secured contracts, service level agreements and grant funding from many organisations including Central Government, North Tyneside Council, South Tyneside Metropolitan Borough Council, South Tyneside Public Health, National Lottery Community Fund, Big Local, Sage Foundation, Land Trust, Ward Improvement Fund, National Grid, South Tyneside Homes, Sir James Knott Trust, Barbour Foundation, Ballinger Trust, Tesco, Agility Eco, Freemasons, Community Foundation, LGA Foundation, Museum Development North East, Banks Group and Hadrian Trust.

## **Groundwork South and North Tyneside Limited**

### **Trustees' Report**

The Charitable Company wishes to thank the partnership organisations that have supported the Company over the past year.

At the end of the year the Charitable Company held reserves of £2,778,746 (2022 £2,883,112).

Held as part of the reserves are Freehold and Leasehold properties valued at £2,195,461. There are no designated or otherwise committed funds. The reserves, after allowing for the above properties and other tangible assets required to operate the Charitable Company was £484,046 (2022 £530,192).

#### **3.5 Asset Management**

The Charitable Company undertook a detailed asset review of all freehold and leasehold assets held within the fixed assets.

The Trustees remain aware that efforts will continue to be required to cut fixed asset costs and asset reduce overheads and to benefit from economies of scale through potential further development opportunities within the trading subsidiary. The Charitable Company will also continue developing its service delivery utilising our community based assets as service hubs.

#### **3.6 Investment policy and performance**

The Trustees have the power to invest in such assets as they see fit.

The Charitable Company may need to react quickly to particular needs and therefore has a policy of keeping surplus liquid funds in short term deposits which can be readily accessed.

The Board undertake an annual review of the investment strategy / policy to ensure that funds are utilised and provide the most beneficial return to the charitable company, this annual review also informs the reserves policy.

#### **3.7 Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

### **4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Charitable Company as part of its annual Business Plan sets out a number of Financial Objectives that are overseen by Resources Committee. These objectives relate to the level of working capital, total funds available, management of higher risk activities and investments. The committee measure performance against these objectives on a quarterly basis with a report presented to the Board of Trustees.

## **Groundwork South and North Tyneside Limited**

### **Trustees' Report**

#### **4.1 Principal risks and uncertainties**

The Charitable Company produces an annual Risk Register that sets out the principle risks to the organisation and the necessary contract required to manage such risks. The risk register is managed by the Executive Team with an annual report presented to the Board.

The main risks to the charitable company are relationship management of key stakeholder, effective management of health & safety, continued reduction in government funding and management of higher risk activities. Below is a summary of the main areas of risk, for which we have the necessary strategies / risk management plans in place:

- Failure to secure management of new programmes, threatening the long-term viability of the organisation.
- An unexpected withdrawal of funding from a major partner.
- A major personal incident health & safety or safeguarding occurring on local projects.
- Non-compliance to data security, health & safety and environmental regulations.
- Ongoing change management within the Groundwork Federation impacting on the Federation's ability to deliver national programmes.

#### **4.2 Risk Management**

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that steps can be taken to lessen these risks. These risks are linked to the above principal risks and uncertainties.

#### **4.3 Reserves Policy**

The Trustees have reviewed the Charitable Company's reserves requirements in accordance with the guidelines issued by the Charity Commission for England and Wales.

In formulating the policy, the Trustees have taken into account the Charitable Company's expenditure commitments and the sources, reliability and timing of its income flows. In addition, future needs, opportunities, contingencies and risks have been analysed and assessed.

The Trustees agree on an annual basis the agreed working capital requirement for the Charitable Company that enables the organisation to operate in-line with the reserves policy and guidelines.

#### **4.4 Pay Policy for Senior Staff**

The Resource Committee of the Board are responsible for the setting of remuneration for the organisation's staff including the Executive Team. The organisation has a robust annual appraisal process that monitors past performance and sets the forthcoming year's key performance indicators and contribution to the Business Plan.

## **Groundwork South and North Tyneside Limited**

### **Trustees' Report**

#### **5. PLANS FOR FUTURE PERIODS - FUTURE DEVELOPMENTS**

The charitable company in 2023 adopted the Groundwork Federation strategy that sets out its plans and vision for the future of the charitable company, below is a summary of the strategy:

Over the next few years, we will continue to provide services that enable us to deliver our vision of 'Changing Places and Changing Lives'. We will do this by embedding innovation and sustainability in all we do, maximising impact and outcomes.

Groundwork is a federation of charities mobilising practical community action on poverty and the environment across the UK. 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.
- No-one is held back by their background or circumstances.

We believe that working with local communities to build their resilience is vital in facing up to the challenges of a globalised economy and a changing climate.

#### **Why this Matters:**

- 89% of community groups say their work is needed more than ever, but more than half say it has got harder for them to operate in the last ten years.
- 75% of people say they feel unable to influence decisions about what happens in their local area. Nearly half of young people<sup>2</sup> say they feel they don't belong to their neighbourhood.
- 2.69 million people do not live within a ten minute walk of a green space. Those who are at greatest risk of poor physical and mental health are more likely to miss out on the benefits of green space.
- Around half a million young people were 'economically inactive' - not in learning or employment and not looking for work – before Covid-19, a number which has been slowly rising.
- One in ten households in England is experiencing fuel poverty, rising to almost one in five for ethnic minority households.
- 76% of adults say they are concerned about climate change.
- 40% of young people admit to feeling 'overwhelmed' by the climate crisis.
- 90% of SMEs said being sustainable was important for their business but more than half said they were finding it difficult to take action.

#### **Our Impact and Change we deliver:**

Our work supports people facing multiple challenges – living in isolation or with significant health issues, in communities with few facilities, limited employment prospects and vulnerable to extreme weather events.

## **Groundwork South and North Tyneside Limited**

### **Trustees' Report**

- We create better places - Making communities greener, safer and healthier by enabling people to work together to bring about change in their local area.
- We improve people's prospects - Increasing the confidence, skills, wellbeing and employability of those struggling in education or out of work.
- We promote greener choices - Helping people and businesses reduce their environmental impact, cut waste, save money and live more healthily

To support the plans for the future, a number of Key Deliverables have been agreed by the Trustees' of the Charitable Company on an annual basis. The Charitable Company holds an annual Business Development Session where the Trustees and Executive Team review existing strategic direction and activities and set the future direction of the charitable company.

The Charitable Company is looking to expand its charitable operations especially with our communities team linked to wider education services and community events. Further, through the integration of TEN North East into Groundwork, the charitable company hopes to expand its training & development and young carers services as well as working across the Groundwork Federation especially through Groundwork in the North to develop enhanced collaboration and business development.

#### ***Fundraising disclosures***

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

#### ***Public benefit***

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

## Groundwork South and North Tyneside Limited

### Trustees' Report

#### Statement of Trustees' Responsibilities

The trustees (who are also the directors of Groundwork South and North Tyneside Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Disclosure of information to auditor

Each trustee has taken 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 the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 21/12/2023..... and signed on its behalf by:



Jeff Owen 21 Dec 2023 16:16:29 GMT (UTC +0)

J D Owen  
Trustee

## **Groundwork South and North Tyneside Limited**

### **Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited**

#### **Opinion**

We have audited the financial statements of Groundwork South and North Tyneside Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, 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 group's and parent charity's affairs as at 31 March 2023 and of the group's 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 group 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 group's ability to continue as a going concern for a period of at least twelve months from when the 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.

## **Groundwork South and North Tyneside Limited**

### **Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited**

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 14), 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## **Groundwork South and North Tyneside Limited**

### **Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited**

Enquiries with management about any known or suspected instances of non-compliance with laws and regulations including fraud;

- Reviewing the most recent reports issued by regulators;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: compliance with the UK Companies Act, and the Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or recognise the non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Groundwork South and North Tyneside Limited**

### **Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited**

#### **Use of our report**

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

*Azets*

Simon Brown 22 Dec 2023 12:02:24 GMT (UTC +0)

Simon Brown BA ACA DChA (Senior Statutory Auditor)  
For and on behalf of Azets Audit Services  
Chartered Accountants  
Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date: 22/12/2023

Azets Audit Services is a trading name of Azets Audit Services Limited.

## Groundwork South and North Tyneside Limited

### Consolidated Statement of Financial Activities for the Year Ended 31 March 2023

#### (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

|                                    | Note | Unrestricted<br>£  | Restricted<br>£    | Total<br>2023<br>£ | Total<br>2022<br>£ |
|------------------------------------|------|--------------------|--------------------|--------------------|--------------------|
| <b>Income and Endowments from:</b> |      |                    |                    |                    |                    |
| Donations and legacies             | 3    | 36,912             | 30,000             | 66,912             | 73,321             |
| Charitable activities              | 4    | 903,912            | 1,152,553          | 2,056,465          | 1,687,267          |
| Other trading activities           | 5    | 157,677            | -                  | 157,677            | 143,015            |
| Investment income                  | 6    | 95,030             | -                  | 95,030             | 91,387             |
| Other income                       | 7    | 970                | -                  | 970                | 14,378             |
| <b>Total Income</b>                |      | <b>1,194,501</b>   | <b>1,182,553</b>   | <b>2,377,054</b>   | <b>2,009,368</b>   |
| <b>Expenditure on:</b>             |      |                    |                    |                    |                    |
| Raising funds                      |      | (152,918)          | -                  | (152,918)          | (141,808)          |
| Charitable activities              | 8    | (977,170)          | (1,351,332)        | (2,328,502)        | (1,908,694)        |
| <b>Total Expenditure</b>           |      | <b>(1,130,088)</b> | <b>(1,351,332)</b> | <b>(2,481,420)</b> | <b>(2,050,502)</b> |
| Net income/(expenditure)           |      | 64,413             | (168,779)          | (104,366)          | (41,134)           |
| Transfers between funds            |      | (113,327)          | 113,327            | -                  | -                  |
| Net movement in funds              |      | (48,914)           | (55,452)           | (104,366)          | (41,134)           |
| <b>Reconciliation of funds</b>     |      |                    |                    |                    |                    |
| Total funds brought forward        |      | 2,725,180          | 157,932            | 2,883,112          | 2,924,246          |
| Total funds carried forward        | 23   | 2,676,266          | 102,480            | 2,778,746          | 2,883,112          |

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

The funds breakdown for 2022 is shown in note 23.

## Groundwork South and North Tyneside Limited

### Comparative Consolidated Statement of Financial Activities for the Year Ended 31 March 2022

#### (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

|                                    | Note | Unrestricted<br>£ | Restricted<br>£    | Total<br>2022<br>£ |
|------------------------------------|------|-------------------|--------------------|--------------------|
| <b>Income and Endowments from:</b> |      |                   |                    |                    |
| Donations and legacies             | 3    | 73,321            | -                  | 73,321             |
| Charitable activities              | 4    | 594,694           | 1,092,573          | 1,687,267          |
| Other trading activities           | 5    | 143,015           | -                  | 143,015            |
| Investment income                  | 6    | 91,387            | -                  | 91,387             |
| Other income                       | 7    | 14,378            | -                  | 14,378             |
| <b>Total income</b>                |      | <b>916,795</b>    | <b>1,092,573</b>   | <b>2,009,368</b>   |
| <b>Expenditure on:</b>             |      |                   |                    |                    |
| Raising funds                      |      | (141,808)         | -                  | (141,808)          |
| Charitable activities              | 8    | (764,494)         | (1,144,200)        | (1,908,694)        |
| <b>Total expenditure</b>           |      | <b>(906,302)</b>  | <b>(1,144,200)</b> | <b>(2,050,502)</b> |
| <b>Net income/(expenditure)</b>    |      | <b>10,493</b>     | <b>(51,627)</b>    | <b>(41,134)</b>    |
| Transfers between funds            |      | (11,344)          | 11,344             | -                  |
| <b>Net movement in funds</b>       |      | <b>(851)</b>      | <b>(40,283)</b>    | <b>(41,134)</b>    |
| <b>Reconciliation of funds</b>     |      |                   |                    |                    |
| Total funds brought forward        |      | 2,726,031         | 198,215            | 2,924,246          |
| Total funds carried forward        | 23   | 2,725,180         | 157,932            | 2,883,112          |

## Groundwork South and North Tyneside Limited

(Registration number: 02592100)

### Consolidated Balance Sheet as at 31 March 2023

|                                                                | Note | 2023<br>£        | 2022<br>£        |
|----------------------------------------------------------------|------|------------------|------------------|
| <b>Fixed assets</b>                                            |      |                  |                  |
| Tangible assets                                                | 15   | 2,294,700        | 2,352,920        |
| <b>Current assets</b>                                          |      |                  |                  |
| Stocks                                                         | 17   | 8,580            | 4,160            |
| Debtors                                                        | 18   | 548,375          | 676,894          |
| Cash at bank and in hand                                       | 19   | 593,032          | 434,362          |
|                                                                |      | <u>1,149,987</u> | <u>1,115,416</u> |
| <b>Creditors: Amounts falling due within one year</b>          | 20   | <u>(642,006)</u> | <u>(552,175)</u> |
| <b>Net current assets</b>                                      |      | <u>507,981</u>   | <u>563,241</u>   |
| <b>Total assets less current liabilities</b>                   |      | 2,802,681        | 2,916,161        |
| <b>Creditors: Amounts falling due after more than one year</b> | 21   | <u>(23,935)</u>  | <u>(33,049)</u>  |
| <b>Net assets</b>                                              |      | <u>2,778,746</u> | <u>2,883,112</u> |
| <b>Funds of the group:</b>                                     |      |                  |                  |
| <b>Restricted</b>                                              |      | 102,480          | 157,932          |
| <b>Unrestricted income funds</b>                               |      |                  |                  |
| General funds                                                  |      | <u>2,676,266</u> | <u>2,725,180</u> |
| <b>Total funds</b>                                             | 23   | <u>2,778,746</u> | <u>2,883,112</u> |

The financial statements on pages 19 to 44 were approved by the trustees, and authorised for issue on 21/12/2023.... and signed on their behalf by:

  
 J D Owen 21 Dec 2023 16:18:29 GMT (UTC +0)  
 .....  
 J D Owen  
 Trustee

## Groundwork South and North Tyneside Limited

(Registration number: 02592100)  
Balance Sheet as at 31 March 2023

|                                                                | Note | 2023<br>£        | 2022<br>£        |
|----------------------------------------------------------------|------|------------------|------------------|
| <b>Fixed assets</b>                                            |      |                  |                  |
| Tangible assets                                                | 15   | 2,293,507        | 2,348,893        |
| Investments                                                    | 16   | <u>3</u>         | <u>3</u>         |
|                                                                |      | <u>2,293,510</u> | <u>2,348,896</u> |
| <b>Current assets</b>                                          |      |                  |                  |
| Debtors                                                        | 18   | 540,894          | 661,309          |
| Cash at bank and in hand                                       | 19   | <u>505,102</u>   | <u>376,101</u>   |
|                                                                |      | 1,045,996        | 1,037,410        |
| <b>Creditors: Amounts falling due within one year</b>          | 20   | <u>(611,946)</u> | <u>(538,063)</u> |
| <b>Net current assets</b>                                      |      | <u>434,050</u>   | <u>499,347</u>   |
| <b>Total assets less current liabilities</b>                   |      | 2,727,560        | 2,848,243        |
| <b>Creditors: Amounts falling due after more than one year</b> | 21   | <u>(23,935)</u>  | <u>(33,049)</u>  |
| <b>Net assets</b>                                              |      | <u>2,703,625</u> | <u>2,815,194</u> |
| <b>Funds of the charity:</b>                                   |      |                  |                  |
| <b>Restricted</b>                                              |      | 79,104           | 127,898          |
| <b>Unrestricted income funds</b>                               |      |                  |                  |
| Unrestricted funds                                             |      | <u>2,624,521</u> | <u>2,687,296</u> |
| <b>Total funds</b>                                             | 23   | <u>2,703,625</u> | <u>2,815,194</u> |

The financial statements on pages 19 to 44 were approved by the trustees, and authorised for issue on 21/12/2023.... and signed on their behalf by:



Jeff Owen 21 Dec 2023 18:18:29 GMT (UTC +0)

J D Owen  
Trustee

## Groundwork South and North Tyneside Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 March 2023

|                                                      | Note | 2023<br>£             | 2022<br>£             |
|------------------------------------------------------|------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>          |      |                       |                       |
| Net cash expenditure                                 |      | (104,366)             | (41,134)              |
| <b>Adjustments to cash flows from non-cash items</b> |      |                       |                       |
| Depreciation                                         |      | 91,173                | 90,636                |
| Investment income                                    | 6    | <u>(95,030)</u>       | <u>(91,387)</u>       |
|                                                      |      | (108,223)             | (41,885)              |
| <b>Working capital adjustments</b>                   |      |                       |                       |
| Increase in stocks                                   | 17   | (4,420)               | (2,837)               |
| Decrease/(increase) in debtors                       | 18   | 128,519               | (146,461)             |
| Increase in creditors                                | 20   | <u>90,000</u>         | <u>102,176</u>        |
| Net cash flows from operating activities             |      | <u>105,876</u>        | <u>(89,007)</u>       |
| <b>Cash flows from investing activities</b>          |      |                       |                       |
| Interest receivable and similar income               | 6    | 95,030                | 91,387                |
| Purchase of tangible fixed assets                    | 15   | <u>(32,953)</u>       | <u>(59,397)</u>       |
| Net cash flows from investing activities             |      | 62,077                | 31,990                |
| <b>Cash flows from financing activities</b>          |      |                       |                       |
| Repayment of loans and borrowings                    | 20   | <u>(9,283)</u>        | <u>(7,500)</u>        |
| Net increase/(decrease) in cash and cash equivalents |      | 158,670               | (64,517)              |
| Cash and cash equivalents at 1 April                 |      | <u>434,362</u>        | <u>498,879</u>        |
| Cash and cash equivalents at 31 March                |      | <u><u>593,032</u></u> | <u><u>434,362</u></u> |

All of the cash flows are derived from continuing operations during the above two periods.

## **Groundwork South and North Tyneside Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **1 Charity status**

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. There are three members, each of whom have undertaken to contribute an amount not exceeding £1 in the event of a winding up. The members are:

Federation of Groundwork Trusts  
South Tyneside Metropolitan Borough Council  
North East Chamber of Commerce, Trade and Industry

The address of its registered office is: The Eco Centre, Windmill Way, Hebburn, Tyne & Wear, NE31 1SR

#### **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 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### **Basis of preparation**

Groundwork South and North Tyneside meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The functional currency of the group is the £ Sterling.

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2023.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit after tax for the financial year of £111,569 (2022 - £52,714.)

## **Groundwork South and North Tyneside Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### **Going concern**

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group.

#### **Estimation uncertainty and judgements**

In the application of the Trust's accounting policies, the directors 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.

There are no significant accounting estimates which are considered to materially impact the financial statements.

#### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

## **Groundwork South and North Tyneside Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### ***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.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

#### ***Grants receivable***

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### ***Investment income***

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

#### ***Expenditure***

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### ***Governance costs***

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### Government grants

Government grants are recognised based on the performance model and are measured at the fair value of the asset received or receivable. Grants are recognised in income where there are no performance conditions. If there are such performance conditions, then the income is deferred and recognised as deferred income within creditors.

#### Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### Tangible fixed assets

Individual fixed assets costing £1,000.00 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      |
|-----------------------------|-----------------------------------|
| Land and Buildings          | 2% Straight Line                  |
| Plant and Machinery         | 6.67% straight line               |
| Motor vehicles              | 20% straight line                 |
| Other Tangible fixed assets | between 20% and 40% straight line |

#### Stock

Stock is valued at the lower of cost and net realisable value.

#### 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 comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **Groundwork South and North Tyneside Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2023**

#### **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.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the group.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### Pensions and other post retirement obligations

The group operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

The Charitable Company also operates a defined benefit contribution scheme through The Federation of Groundwork Trusts which is currently administered by Aegon Scottish Equitable. The scheme is available to all employees. The assets of the scheme are held separately from those of the Charitable Company. The annual contributions payable are charged to the statement of financial activities.

A few current and previous employees of the Charitable Company participate in Tyne and Wear Pension fund, a defined benefit scheme. However, the scheme is a multiple employer scheme and the Charitable Company is unable to identify its share of the underlying assets and liabilities. Contributions payable to the scheme are charged to the income and expenditure account so as to spread the cost of the pension over the employees' expected working life. The pension charge is calculated on the basis of actuarial advice. The contributions are invested separately from the Charitable Company's Assets.

#### Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### 3 Income from donations and legacies

|                                   | Unrestricted<br>funds<br>General<br>£ | Restricted<br>funds<br>£ | Total<br>2023<br>£ |
|-----------------------------------|---------------------------------------|--------------------------|--------------------|
| Donations and legacies;           |                                       |                          |                    |
| Donations                         | 4,343                                 | -                        | 4,343              |
| Grants, including capital grants; |                                       |                          |                    |
| Government grants                 | 22,389                                | -                        | 22,389             |
| Grants                            | 10,180                                | 30,000                   | 40,180             |
|                                   | <u>36,912</u>                         | <u>30,000</u>            | <u>66,912</u>      |

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

|                                   | Unrestricted<br>funds<br>General<br>£ | Total<br>2022<br>£ |
|-----------------------------------|---------------------------------------|--------------------|
| Donations and legacies;           |                                       |                    |
| Donations                         | 20,137                                | 20,137             |
| Legacies                          | 10,000                                | 10,000             |
| Grants, including capital grants; |                                       |                    |
| Government grants                 | 28,725                                | 28,725             |
| Grants                            | 14,459                                | 14,459             |
|                                   | <u>73,321</u>                         | <u>73,321</u>      |

#### 4 Income from charitable activities

|                                 | Unrestricted<br>funds<br>General<br>£ | Restricted<br>funds<br>£ | Total<br>2023<br>£ |
|---------------------------------|---------------------------------------|--------------------------|--------------------|
| Project Income - Employment/SEN | 6,283                                 | 431,008                  | 437,291            |
| Project Income - Business       | 307,374                               | 1,671                    | 309,045            |
| Project Income - Education      | 82,800                                | 49,804                   | 132,604            |
| Project Income - Communities    | 370,710                               | 399,485                  | 770,195            |
| Project Income - Land           | 131,890                               | 35,675                   | 167,565            |
| Ten North East Activities       | 4,855                                 | 234,910                  | 239,765            |
|                                 | <u>903,912</u>                        | <u>1,152,553</u>         | <u>2,056,465</u>   |
|                                 | Unrestricted<br>funds<br>General<br>£ | Restricted<br>funds<br>£ | Total<br>2022<br>£ |
| Project Income - Employment/SEN | 2,906                                 | 489,420                  | 492,326            |
| Project Income - Business       | 25,784                                | -                        | 25,784             |
| Project Income - Education      | 77,282                                | 47,274                   | 124,556            |
| Project Income - Communities    | 365,890                               | 352,908                  | 718,798            |
| Project Income - Land           | 122,832                               | 20,947                   | 143,779            |
| Ten North East Activities       | -                                     | 182,024                  | 182,024            |
|                                 | <u>594,694</u>                        | <u>1,092,573</u>         | <u>1,687,267</u>   |

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 5 Income from other trading activities

|                                | Unrestricted<br>funds<br>General<br>£ | Total<br>2023<br>£ |
|--------------------------------|---------------------------------------|--------------------|
| Income from trading subsidiary |                                       |                    |
| Trading income - Windmill      | 157,677                               | 157,677            |
|                                | <u>157,677</u>                        | <u>157,677</u>     |
|                                | Unrestricted<br>funds<br>General<br>£ | Total<br>2022<br>£ |
| Income from trading subsidiary |                                       |                    |
| Trading income - Windmill      | 143,015                               | 143,015            |
|                                | <u>143,015</u>                        | <u>143,015</u>     |

#### 6 Investment income

|                                         | Unrestricted<br>funds<br>General<br>£ | Total<br>2023<br>£ |
|-----------------------------------------|---------------------------------------|--------------------|
| Interest receivable and similar income; |                                       |                    |
| Interest receivable on bank deposits    | 1,887                                 | 1,887              |
| Income from rents from Eco Centre       | 93,143                                | 93,143             |
|                                         | <u>95,030</u>                         | <u>95,030</u>      |
|                                         | Unrestricted<br>funds<br>General<br>£ | Total<br>2022<br>£ |
| Interest receivable and similar income; |                                       |                    |
| Interest receivable on bank deposits    | 163                                   | 163                |
| Income from rents from Eco Centre       | 91,224                                | 91,224             |
|                                         | <u>91,387</u>                         | <u>91,387</u>      |

**Groundwork South and North Tyneside Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2023**

**7 Other income**

|              | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>2023<br/>£</b> |
|--------------|-------------------------------------------------|-----------------------------|
| Other income | <u>970</u>                                      | <u>970</u>                  |
|              | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Total<br/>2022<br/>£</b> |
| Other income | <u>14,378</u>                                   | <u>14,378</u>               |

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 8 Expenditure on charitable activities

|                           | Unrestricted<br>funds<br>General<br>£   | Restricted<br>funds<br>£          | Total<br>2023<br>£ |
|---------------------------|-----------------------------------------|-----------------------------------|--------------------|
| Employment/SEN            | 6,282                                   | 431,008                           | 437,290            |
| Business                  | 194,366                                 | 596                               | 194,962            |
| Education                 | 91,919                                  | 60,624                            | 152,543            |
| Communities               | 393,784                                 | 553,018                           | 946,802            |
| Land                      | 127,477                                 | 35,675                            | 163,152            |
| Ten North East Activities | 163,342                                 | 270,411                           | 433,753            |
|                           | <u>977,170</u>                          | <u>1,351,332</u>                  | <u>2,328,502</u>   |
|                           | Unrestricted<br>funds<br>General<br>£   | Restricted<br>funds<br>£          | Total<br>2022<br>£ |
| Employment                | 155,063                                 | 484,196                           | 639,259            |
| Business                  | 21,305                                  | -                                 | 21,305             |
| Education                 | 72,679                                  | 53,238                            | 125,917            |
| Communities               | 391,140                                 | 396,164                           | 787,304            |
| Land                      | 103,913                                 | 24,750                            | 128,663            |
| Ten North East Activities | 20,394                                  | 185,852                           | 206,246            |
|                           | <u>764,494</u>                          | <u>1,144,200</u>                  | <u>1,908,694</u>   |
|                           | Activity<br>undertaken<br>directly<br>£ | Activity<br>support<br>costs<br>£ | 2023<br>£          |
| Employment/SEN            | 338,585                                 | 98,705                            | 437,290            |
| Business                  | 125,046                                 | 69,916                            | 194,962            |
| Education                 | 123,754                                 | 28,789                            | 152,543            |
| Communities               | 769,955                                 | 176,847                           | 946,802            |
| Land                      | 126,137                                 | 37,015                            | 163,152            |
| Ten North East Activities | 359,961                                 | 73,792                            | 433,753            |
|                           | <u>1,843,438</u>                        | <u>485,064</u>                    | <u>2,328,502</u>   |

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

|                           | Activity<br>undertaken<br>directly<br>£ | Activity<br>support<br>costs<br>£ | 2022<br>£        |
|---------------------------|-----------------------------------------|-----------------------------------|------------------|
| Employment/SEN            | 479,062                                 | 160,197                           | 639,259          |
| Business                  | 11,597                                  | 9,708                             | 21,305           |
| Education                 | 87,081                                  | 38,836                            | 125,917          |
| Communities               | 559,146                                 | 228,158                           | 787,304          |
| Land                      | 80,119                                  | 48,544                            | 128,663          |
| Ten North East Activities | 160,701                                 | 45,545                            | 206,246          |
|                           | <u>1,377,706</u>                        | <u>530,988</u>                    | <u>1,908,694</u> |

In addition to the expenditure analysed above, there are also governance costs of £11,940 (2022 - £14,103) which relate directly to charitable activities. See note 9 for further details.

#### 9 Analysis of governance and support costs

##### Support costs allocated to charitable activities

|                             | Employment    | Business      | Education     | Communities    | Land          | Ten<br>North<br>East<br>Activities | Total<br>2023  |
|-----------------------------|---------------|---------------|---------------|----------------|---------------|------------------------------------|----------------|
|                             | £             | £             | £             | £              | £             | £                                  | £              |
| Staff costs                 | 14,281        | 10,115        | 4,165         | 25,587         | 5,355         | 49,474                             | 108,977        |
| Depreciation                | 18,937        | 13,414        | 5,523         | 33,930         | 7,102         | 2,835                              | 81,741         |
| Premises Costs              | 11,367        | 8,052         | 3,315         | 20,366         | 4,262         | -                                  | 47,362         |
| Repairs and<br>maintenance  | 6,778         | 4,801         | 1,977         | 12,143         | 2,542         | -                                  | 28,241         |
| Security costs              | 3,416         | 2,420         | 996           | 6,121          | 1,281         | -                                  | 14,234         |
| Office costs                | 17,102        | 12,114        | 4,988         | 30,641         | 6,413         | 3,604                              | 74,862         |
| Motor and travel            | 1,038         | 735           | 303           | 1,860          | 389           | 1,403                              | 5,728          |
| Bank charges                | 1,631         | 1,155         | 475           | 2,921          | 612           | 791                                | 7,585          |
| General<br>expenses         | 1,343         | 949           | 391           | 2,401          | 503           | 4,166                              | 9,753          |
| Professional<br>Fees        | 12,252        | 8,678         | 3,573         | 21,951         | 4,595         | 11,519                             | 62,568         |
| Groundwork UK<br>Membership | 1,760         | 1,247         | 513           | 3,153          | 660           | -                                  | 7,333          |
| Governance<br>costs         | <u>8,803</u>  | <u>6,235</u>  | <u>2,568</u>  | <u>15,773</u>  | <u>3,301</u>  | <u>-</u>                           | <u>36,680</u>  |
|                             | <u>98,708</u> | <u>69,915</u> | <u>28,787</u> | <u>176,847</u> | <u>37,015</u> | <u>73,792</u>                      | <u>485,064</u> |

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

|                          | Employment     | Business     | Education     | Communities    | Land          | Ten North East Activities | Total 2022     |
|--------------------------|----------------|--------------|---------------|----------------|---------------|---------------------------|----------------|
|                          | £              | £            | £             | £              | £             | £                         | £              |
| Staff costs              | 62,577         | 3,793        | 15,170        | 89,125         | 18,963        | 23,551                    | 213,179        |
| Depreciation             | 26,331         | 1,596        | 6,383         | 37,502         | 7,979         | 4,083                     | 83,874         |
| Premises Costs           | 26,873         | 1,629        | 6,515         | 38,273         | 8,143         | -                         | 81,433         |
| Repairs and maintenance  | 6,240          | 376          | 1,513         | 8,883          | 1,890         | 38                        | 18,940         |
| Security costs           | 5,034          | 305          | 1,220         | 7,170          | 1,526         | -                         | 15,255         |
| Office costs             | 9,915          | 601          | 2,404         | 14,122         | 3,004         | 610                       | 30,656         |
| Motor and travel         | 1,184          | 72           | 287           | 1,687          | 359           | 395                       | 3,984          |
| Bank charges             | 645            | 39           | 156           | 919            | 195           | 570                       | 2,524          |
| General expenses         | 13,070         | 792          | 3,169         | 18,615         | 3,961         | 170                       | 39,777         |
| Professional Fees        | 1,631          | 99           | 395           | 2,323          | 494           | 13,321                    | 18,263         |
| Groundwork UK Membership | 2,970          | 180          | 720           | 4,230          | 900           | -                         | 9,000          |
| Governance costs         | 3,727          | 226          | 904           | 5,309          | 1,130         | 2,807                     | 14,103         |
|                          | <u>160,197</u> | <u>9,708</u> | <u>38,836</u> | <u>228,158</u> | <u>48,544</u> | <u>45,545</u>             | <u>530,988</u> |

#### 10 Net incoming/outgoing resources

Net outgoing resources for the year include:

|                              | 2023<br>£     | 2022<br>£     |
|------------------------------|---------------|---------------|
| Audit fees                   | 11,700        | 9,750         |
| Depreciation of fixed assets | <u>91,173</u> | <u>90,636</u> |

#### 11 Trustees remuneration and expenses

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

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

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 12 Staff costs

The aggregate payroll costs were as follows:

|                                          | 2023<br>£        | 2022<br>£        |
|------------------------------------------|------------------|------------------|
| <b>Staff costs during the year were:</b> |                  |                  |
| Wages and salaries                       | 1,289,207        | 1,176,339        |
| Social security costs                    | 79,226           | 65,661           |
| Pension costs                            | 70,222           | 58,618           |
|                                          | <u>1,438,655</u> | <u>1,300,618</u> |

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

|           | 2023<br>No | 2022<br>No |
|-----------|------------|------------|
| Full time | <u>62</u>  | <u>66</u>  |

The number of employees whose emoluments fell within the following bands was:

|                    | 2023<br>No | 2022<br>No |
|--------------------|------------|------------|
| £60,001 - £70,000  | -          | 1          |
| £90,001 - £100,000 | <u>1</u>   | <u>-</u>   |

The total employee benefits of the key management personnel of the group were £118,688 (2022 - £87,756).

#### 13 Auditors' remuneration

|                                   | 2023<br>£     | 2022<br>£    |
|-----------------------------------|---------------|--------------|
| Audit of the financial statements | <u>11,700</u> | <u>9,750</u> |

#### 14 Taxation

The group is a registered charity and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 15 Tangible fixed assets

##### Group

|                       | Land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | TEN Fixtures<br>£ | Total<br>£ |
|-----------------------|----------------------------|-----------------------------|------------------------|-------------------|------------|
| <b>Cost</b>           |                            |                             |                        |                   |            |
| At 1 April 2022       | 5,583,989                  | 222,551                     | 82,396                 | 410,691           | 6,299,627  |
| Additions             | -                          | 6,953                       | 26,000                 | -                 | 32,953     |
| At 31 March 2023      | 5,583,989                  | 229,504                     | 108,396                | 410,691           | 6,332,580  |
| <b>Depreciation</b>   |                            |                             |                        |                   |            |
| At 1 April 2022       | 3,320,550                  | 200,740                     | 43,515                 | 381,902           | 3,946,707  |
| Charge for the year   | 67,978                     | 3,023                       | 9,244                  | 10,928            | 91,173     |
| At 31 March 2023      | 3,388,528                  | 203,763                     | 52,759                 | 392,830           | 4,037,880  |
| <b>Net book value</b> |                            |                             |                        |                   |            |
| At 31 March 2023      | 2,195,461                  | 25,741                      | 55,637                 | 17,861            | 2,294,700  |
| At 31 March 2022      | 2,263,439                  | 21,811                      | 38,881                 | 28,789            | 2,352,920  |

Included within the net book value of land and buildings above is £1,454,492 (2022 - £1,503,486) in respect of freehold land and buildings and £740,969 (2022 - £759,953) in respect of leaseholds.

##### Charity

|                       | Land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Other<br>tangible fixed<br>asset<br>£ | Total<br>£ |
|-----------------------|----------------------------|-----------------------------|------------------------|---------------------------------------|------------|
| <b>Cost</b>           |                            |                             |                        |                                       |            |
| At 1 April 2022       | 5,583,989                  | 205,646                     | 82,396                 | 387,180                               | 6,259,211  |
| Additions             | -                          | 6,953                       | 26,000                 | -                                     | 32,953     |
| At 31 March 2023      | 5,583,989                  | 212,599                     | 108,396                | 387,180                               | 6,292,164  |
| <b>Depreciation</b>   |                            |                             |                        |                                       |            |
| At 1 April 2022       | 3,320,550                  | 183,835                     | 43,516                 | 362,418                               | 3,910,319  |
| Charge for the year   | 67,978                     | 3,023                       | 9,244                  | 8,093                                 | 88,338     |
| At 31 March 2023      | 3,388,528                  | 186,858                     | 52,760                 | 370,511                               | 3,998,657  |
| <b>Net book value</b> |                            |                             |                        |                                       |            |
| At 31 March 2023      | 2,195,461                  | 25,741                      | 55,636                 | 16,669                                | 2,293,507  |
| At 31 March 2022      | 2,263,439                  | 21,811                      | 38,880                 | 24,762                                | 2,348,892  |

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

Included within the net book value of land and buildings above is £1,454,492 (2022 - £1,503,486) in respect of freehold land and buildings and £740,969 (2022 - £759,953) in respect of leaseholds.

The Charitable Company has two commercial property partnerships that contribute to the fixed assets of the Charitable Company, below is an overview of the partnerships.

One Trinity Green (OTG) - The Charitable Company, in partnership with South Tyneside Council and with ERDF funding support, constructed OTG in 2012 to support the regeneration of the Laygate area of South Shields. The Charitable Company has a 25% share in OTG that equates to £786,756 of Land and Buildings within the financial statements; and

The Beacon - The Charitable Company, in partnership with Centre West Charitable Trust and with ERDF funding support, constructed The Beacon Community Enterprise Hub in 2011/12. The 125 year collaboration aims to assist in the regeneration of the West End of Newcastle. The Charitable Company has a 42.39% share in The Beacon that equates to £759,952 of Land and Buildings within the financial statements.

#### 16 Fixed asset investments

##### Group

|                                                          | 2023<br>£ | 2022<br>£ |
|----------------------------------------------------------|-----------|-----------|
| Shares in group undertakings and participating interests | -         | -         |
| <b>Charity</b>                                           |           |           |
|                                                          | 2023<br>£ | 2022<br>£ |
| Shares in group undertakings and participating interests | <u>3</u>  | <u>3</u>  |

##### Shares in group undertakings and participating interests

|                       | Subsidiary<br>undertakings<br>£ | Total<br>£ |
|-----------------------|---------------------------------|------------|
| <b>Cost</b>           |                                 |            |
| At 1 April 2022       | <u>3</u>                        | <u>3</u>   |
| At 31 March 2023      | <u>3</u>                        | <u>3</u>   |
| <b>Net book value</b> |                                 |            |
| At 31 March 2023      | <u>3</u>                        | <u>3</u>   |
| At 31 March 2022      | <u>3</u>                        | <u>3</u>   |

##### Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

| Undertaking                                     | Country of incorporation | Holding     | Proportion of voting rights and shares held |      |
|-------------------------------------------------|--------------------------|-------------|---------------------------------------------|------|
|                                                 |                          |             | 2023                                        | 2022 |
| Subsidiary undertakings                         |                          |             |                                             |      |
| Windmill Sustainable Business Solutions Limited | England and Wales        | Equity      | 100%                                        | 100% |
| Ten North East Limited                          | England and Wales        | Sole Member | 100%                                        | 100% |

#### Subsidiaries

The surplus for the financial period of Windmill Sustainable Business Solutions Limited was £4,760 (2022 - £5,614) and the aggregate amount of capital and reserves at the end of the period was £12,807 (2022 - £8,107).

The surplus for the financial period of Ten North East Limited was £2,444 (2022 - £5,966) and the aggregate amount of capital and reserves at the end of the period was £62,258 (2022 - £59,814).

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 17 Stock

|                  | Group        |              | Charity   |           |
|------------------|--------------|--------------|-----------|-----------|
|                  | 2023<br>£    | 2022<br>£    | 2023<br>£ | 2022<br>£ |
| Work in progress | <u>8,580</u> | <u>4,160</u> | <u>-</u>  | <u>-</u>  |

#### 18 Debtors

|                             | Group          |                | Charity        |                |
|-----------------------------|----------------|----------------|----------------|----------------|
|                             | 2023<br>£      | 2022<br>£      | 2023<br>£      | 2022<br>£      |
| Trade debtors               | 274,354        | 377,482        | 257,414        | 352,055        |
| Due from group undertakings | -              | -              | 27,766         | 20,330         |
| Prepayments                 | 18,264         | 11,964         | 18,264         | 9,068          |
| Accrued income              | 159,286        | 146,633        | 159,286        | 146,633        |
| Other debtors               | <u>96,471</u>  | <u>140,815</u> | <u>78,164</u>  | <u>133,223</u> |
|                             | <u>548,375</u> | <u>676,894</u> | <u>540,894</u> | <u>661,309</u> |

#### 19 Cash and cash equivalents

|              | Group          |                | Charity        |                |
|--------------|----------------|----------------|----------------|----------------|
|              | 2023<br>£      | 2022<br>£      | 2023<br>£      | 2022<br>£      |
| Cash at bank | <u>593,032</u> | <u>434,362</u> | <u>505,102</u> | <u>376,101</u> |

#### 20 Creditors: amounts falling due within one year

|                                    | Group          |                | Charity        |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | 2023<br>£      | 2022<br>£      | 2023<br>£      | 2022<br>£      |
| Bank loans                         | 9,282          | 9,451          | 9,282          | 9,451          |
| Trade creditors                    | 199,264        | 180,770        | 193,837        | 167,586        |
| Due to group undertakings          | -              | -              | -              | 15,312         |
| Other taxation and social security | 12,947         | 13,603         | 12,581         | 13,603         |
| VAT                                | 23,965         | 20,676         | 23,965         | 20,676         |
| Other creditors                    | 18,273         | 8,611          | 18,273         | 8,611          |
| Accruals and deferred income       | <u>378,275</u> | <u>319,064</u> | <u>354,008</u> | <u>302,824</u> |
|                                    | <u>642,006</u> | <u>552,175</u> | <u>611,946</u> | <u>538,063</u> |

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 21 Creditors: amounts falling due after one year

|            | Group         |               | Charity       |               |
|------------|---------------|---------------|---------------|---------------|
|            | 2023          | 2022          | 2023          | 2022          |
|            | £             | £             | £             | £             |
| Bank loans | <u>23,935</u> | <u>33,049</u> | <u>23,935</u> | <u>33,049</u> |

The loan detailed above is a Bounce Back Loan that was obtained in July 2020. The loan period was agreed as six years with an interest rate of 2.5% above Bank of England base rate. The loan will be fully repaid in July 2026. No security was provided against the loan.

#### 22 Pension and other schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £70,233 (2022 - £58,618).

Contributions totalling £18,393 (2022 - £8960) were payable to the scheme at the end of the year and are included in creditors.

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 23 Funds

##### Group

|                               | Balance at<br>1 April<br>2022<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£ | Balance at<br>31 March<br>2023<br>£ |
|-------------------------------|------------------------------------|----------------------------|----------------------------|----------------|-------------------------------------|
| <b>Unrestricted funds</b>     |                                    |                            |                            |                |                                     |
| <i>General</i>                |                                    |                            |                            |                |                                     |
| General funds                 | 2,725,180                          | 1,194,501                  | (1,130,088)                | (113,327)      | 2,676,266                           |
| <b>Restricted funds</b>       |                                    |                            |                            |                |                                     |
| Business                      | -                                  | 1,671                      | (596)                      | (1,075)        | -                                   |
| Education                     | -                                  | 49,804                     | (60,624)                   | 10,820         | -                                   |
| Communities                   | 127,898                            | 399,485                    | (553,018)                  | 103,582        | 77,947                              |
| Land                          | -                                  | 35,675                     | (35,675)                   | -              | -                                   |
| Ten North East Activities     | 30,034                             | 264,910                    | (270,411)                  | -              | 24,533                              |
| SEN Provision                 | -                                  | 431,008                    | (431,008)                  | -              | -                                   |
| <b>Total restricted funds</b> | <u>157,932</u>                     | <u>1,182,553</u>           | <u>(1,351,332)</u>         | <u>113,327</u> | <u>102,480</u>                      |
| <b>Total funds</b>            | <u>2,883,112</u>                   | <u>2,377,054</u>           | <u>(2,481,420)</u>         | <u>-</u>       | <u>2,778,746</u>                    |
|                               | Balance at<br>1 April<br>2021<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£ | Balance at<br>31 March<br>2022<br>£ |
| <b>Unrestricted funds</b>     |                                    |                            |                            |                |                                     |
| <i>General</i>                |                                    |                            |                            |                |                                     |
| General funds                 | 2,726,031                          | 916,795                    | (906,302)                  | (11,344)       | 2,725,180                           |
| <b>Restricted funds</b>       |                                    |                            |                            |                |                                     |
| Employment                    | -                                  | 489,420                    | (484,196)                  | (5,224)        | -                                   |
| Education                     | -                                  | 47,274                     | (53,238)                   | 5,964          | -                                   |
| Communities                   | 166,298                            | 352,908                    | (396,164)                  | 4,856          | 127,898                             |
| Land                          | -                                  | 20,947                     | (24,750)                   | 3,803          | -                                   |
| Ten North East Activities     | 31,917                             | 182,024                    | (185,852)                  | 1,945          | 30,034                              |
| <b>Total restricted funds</b> | <u>198,215</u>                     | <u>1,092,573</u>           | <u>(1,144,200)</u>         | <u>11,344</u>  | <u>157,932</u>                      |
| <b>Total funds</b>            | <u>2,924,246</u>                   | <u>2,009,368</u>           | <u>(2,050,502)</u>         | <u>-</u>       | <u>2,883,112</u>                    |

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

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

Ten North East activities comprise fourteen funds with the aims of supporting Long Term Unemployed and Supporting Young People. Further information on those funds is available within the financial statements of TEN.

Other restricted funds represent project fund income which has been received to enable specific projects to be undertaken in the year.

#### 24 Analysis of net assets between funds

##### Group

|                                  | <b>Unrestricted<br/>General<br/>£</b> | <b>Restricted<br/>£</b> | <b>Total funds<br/>£</b>                          |
|----------------------------------|---------------------------------------|-------------------------|---------------------------------------------------|
| Tangible fixed assets            | 2,294,700                             | -                       | 2,294,700                                         |
| Net current assets/(liabilities) | 405,501                               | 102,480                 | 507,981                                           |
| Creditors over 1 year            | (23,935)                              | -                       | (23,935)                                          |
| <b>Total net assets</b>          | <b>2,676,266</b>                      | <b>102,480</b>          | <b>2,778,746</b>                                  |
|                                  | <b>Unrestricted</b>                   |                         |                                                   |
|                                  | <b>General<br/>£</b>                  | <b>Restricted<br/>£</b> | <b>Total funds<br/>at 31 March<br/>2022<br/>£</b> |
| Tangible fixed assets            | 2,352,920                             | -                       | 2,352,920                                         |
| Net current assets/(liabilities) | 405,309                               | 157,932                 | 563,241                                           |
| Creditors over 1 year            | (33,049)                              | -                       | (33,049)                                          |
| <b>Total net assets</b>          | <b>2,725,180</b>                      | <b>157,932</b>          | <b>2,883,112</b>                                  |

#### 25 Analysis of net funds

##### Group

|                                   | <b>At 1 April<br/>2022<br/>£</b> | <b>Financing<br/>cash flows<br/>£</b> | <b>At 31 March<br/>2023<br/>£</b> |
|-----------------------------------|----------------------------------|---------------------------------------|-----------------------------------|
| Cash at bank and in hand          | 434,362                          | 158,670                               | 593,032                           |
| Debt due within one year          | (9,451)                          | 169                                   | (9,282)                           |
| Debt due after more than one year | (33,049)                         | 9,114                                 | (23,935)                          |
| <b>Net funds</b>                  | <b>391,862</b>                   | <b>167,953</b>                        | <b>559,815</b>                    |

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2023

|                                   | At 1 April<br>2021<br>£ | Financing<br>cash flows<br>£ | At 31 March<br>2022<br>£ |
|-----------------------------------|-------------------------|------------------------------|--------------------------|
| Cash at bank and in hand          | 498,879                 | (64,517)                     | 434,362                  |
| Debt due within one year          | (7,500)                 | (1,951)                      | (9,451)                  |
| Debt due after more than one year | <u>(42,500)</u>         | <u>9,451</u>                 | <u>(33,049)</u>          |
| Net funds                         | <u>448,879</u>          | <u>(57,017)</u>              | <u>391,862</u>           |

#### 26 Related party transactions

##### Group

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

##### Groundwork North East

(Common Trustees)

D Pearce and A Thurston, trustees of the charitable company are also trustees of Groundwork North East. During the year ended 31 March 2023 the company procured goods and services from Groundwork North East amounting to £Nil (2022: £35,795 and made sales to Groundwork North East amounting to £83,602 (2021: £59,123). At the balance sheet date the amount due to/from Groundwork North East was £Nil (2022 - £Nil).

#### 27 Collaborations

As explained in note 15 of the financial statements, Groundwork has two long-term legally binding collaborations, below is an overview of the collaboration.

One Trinity Green (OTG) - The Charitable Company has a long-term collaboration with South Tyneside Council in the development and management of OTG Business Centre. The collaboration is to support the regeneration of the Laygate area of South Shields and development of a Business incubator that supports new and emerging business leading to business growth and employment opportunities. Through the collaboration, the Charitable Company has a 25% share in OTG.

The Beacon - The Charitable Company has a 125 year collaboration with Centre West Charitable Trust in the development and management of the Beacon Community Enterprise Hub. The collaboration is to support the regeneration of the West End of Newcastle as well as furthering the aims of the two charitable companies. The ethos of the centre is to provide affordable flexible office spaces and artisan workshops to local new and emerging businesses that support the partners' charitable aims. The Charitable Company has nominated two representatives onto The Beacon Partnership Board.

Through the collaboration, the Charitable Company has a 42.39% share in The Beacon. In accordance with Financial Reporting Statement 9 - Accounting for associates, joint ventures and joint arrangements, these financial statements recognise only Groundwork South and North Tyneside's share of the income, expenditure, asset and liabilities of the collaboration project for The Beacon Partnership.

**Groundwork South and North Tyneside Limited**

England & Wales - Charity number 1007918

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# Accounts

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Company registration number: 02592100

Charity registration number: 1007918

# GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2022

# Groundwork South and North Tyneside Limited

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# Groundwork South and North Tyneside Limited

## Reference and Administrative Details

|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trustees</b>                    | <p> D C Pearce, Chair<br/> M J Cuthbertson, Vice Chair<br/> J D Owen, Treasurer<br/> A Whittaker<br/> A Siddall<br/> Dr C A Ferguson<br/> D J O'Mahoney<br/> C A Donnelly<br/> D Turton<br/> A R Thurston (appointed 23 September 2021)<br/> M S Overton (appointed 1 March 2022)<br/> S Broadhurst (appointed 16 June 2022)<br/> K Crews (appointed 16 June 2022)<br/> Cllr S Dean (appointed 22 September 2022)<br/> S Brand (appointed 19 August 2021)<br/> J R Cripps (appointed 3 March 2022)<br/> D L Robson (resigned 1 December 2021)<br/> M Charlton (resigned 1 December 2021)<br/> Cllr A Strike (appointed 23 September 2021 and resigned 21 July 2022) </p> |
| <b>Key Management Personnel</b>    | Mr A Watts, Chief Executive Officer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Registered Office</b>           | <p> The Eco Centre<br/> Windmill Way<br/> Hebburn<br/> Tyne &amp; Wear<br/> NE31 1SR<br/> The charity is incorporated in England and Wales. </p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Company Registration Number</b> | 02592100                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Charity Registration Number</b> | 1007918                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Solicitors</b>                  | <p> PGS Law<br/> Law Court Chambers<br/> Waterloo Square<br/> South Shields<br/> Tyne and Wear<br/> NE33 1AW </p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Bankers</b>                     | <p> Royal Bank of Scotland<br/> Newcastle<br/> 31 Grey St<br/> Newcastle upon Tyne<br/> NE1 6ES </p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Auditor</b>                     | <p> Azets Audit Services<br/> Bulman House<br/> Regent Centre<br/> Gosforth<br/> Newcastle upon Tyne<br/> NE3 3LS </p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

# Groundwork South and North Tyneside Limited

## Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2022.

The Trustees have adopted the provisions of the Charities SORP (FRS 102 - 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, effective 1 January 2019). The accounts have been prepared in accordance with the Companies Act 2006.

The following information about the financial year 2021/22 is presented in the format required by The Charity Commission.

### 1. Overview

#### 1.1 Organisational Structure and Decision Making

Groundwork South and North Tyneside is one of a national network of eighteen independent Charitable Trusts, and is part of the Groundwork Federation.

The Groundwork Federation is a national regeneration organisation working with partners to improve the quality of the local environment, the lives of local people and the success of local businesses in those areas in need of investment and support. The Federation supports the independent charitable trusts with external funding, development of national programmes, business development, national campaigns and distribution of national policies.

#### 1.2 Vision

Groundwork's vision is of a society made up of sustainable communities which are vibrant, healthy and safe, which value the local and global environment and where individuals and enterprise prosper.

Groundwork's purpose is to build sustainable communities through joint action.

## 2. CHARITABLE COMPANY GOVERNANCE, STRUCTURE OBJECTIVES AND ACTIVITIES

### 2.1 Governing Constitution

The Charitable Company is a charitable company limited by guarantee and was set up by a Memorandum of Association on 15 March 1991. There are three Company Members each of whom have undertaken to contribute an amount not exceeding £1 in the event of winding up. The Members are:

The Federation of Groundwork Trusts

South Tyneside Metropolitan Borough Council

North East England Chamber of Commerce

The Charitable Company is constituted under a Memorandum of Association dated 15 March 1991 and is a registered charity number 1007918. The principal object of the Charitable Company is to build sustainable communities through joint action. The Charitable Company's memorandum and articles of association were amended in June 2017 to include cultural and heritage activities.

The Charitable Company is governed by a Board of Trustees comprising of both co-opted and nominated individuals / representatives who are elected and re-elected on a 3 year term under the terms of the Articles of Association.

# Groundwork South and North Tyneside Limited

## Trustees' Report

Any nominated co-opted Trustee must be endorsed by the Board of Trustees before being appointed.

The Trustees of the Charitable Company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

The charitable company has a procedure for the induction of new Trustees to ensure that all necessary information and governance procedures are fully understood. The induction also includes tours of the organisation's assets and projects to obtain first-hand experience of the range of services.

The Charitable Trust ensures that it manages the challenging operating environment due to the current economic climate; the Trust continues to split the annual Key Performance Indicator's (KPIs) into three business priority areas, finance, development and quality which form the basis of sub committees' of the main Board. The priority areas will form the basis for our business model for the forthcoming year.

### 2.2 Resources Committee

This priority will concentrate on financial and business management through short term performance management, cost efficiencies and maintaining quality standards to ensure that we deliver quality services within budget and timescales.

Through the performance management framework, the Trust will review the following areas on a regular basis and implement the necessary action plans.

- Operation Portfolio Updates including performance
- Financial Updates & Management
- Staffing / H&R
- Investment Strategy

### 2.3 Joint NE Business Development Committee

This priority will focus on business development to ensure the Trust maximises business opportunities in-line with our 5 year strategy, whilst responding to emerging markets within the private and public sector. To support the regional collaboration, this committee has become a Joint NE committee with Trustees from our sister Trust GW North East & Cumbria; this new framework ensures a regional approach to business development, building on knowledge and avoiding duplication.

The management team will develop a framework to monitor progress against the below areas:

- 5 Yr Strategy
- Business Planning
- Strategic Relations / Positioning
- Business Development
- Emerging Markets
- Funding Opportunities & Management
- Marketing & Communications.

# Groundwork South and North Tyneside Limited

## Trustees' Report

### 2.4. Compliance and Quality Committee

This priority will focus on the development of our quality and standards to enhance our quality delivery and ensure compliance with quality standards / accreditations. To support the regional collaboration, this committee has become a Joint NE committee with Trustees from our sister Trust GW North East & Cumbria; this new framework ensures a regional approach to compliance, building on expertise and avoiding duplication.

The management team review performance against the below areas:

- Health & Safety
- Safeguarding
- ISO 14001
- GDPR / ICT
- Equality & Diversity
- Investors in People
- Matrix

### 2.5 Route 2 Work Governors

To oversee the quality, compliance and learning standards at our Route 2 Work College, the Charitable Company has established a Governors Committee. The role of the committee is to support and challenge the quality of the outcomes, achievements, personal development and quality improvement plan. The Committee provide the full Board with a quarterly update on progress.

### 2.6 Jarrow Hall Managing Committee

To oversee the implementation and monitoring of the Masterplan, the Charitable Company has created a Jarrow Hall Managing Committee. The role of the committee is to support the outcomes and actions of the Masterplan whilst overseeing the collection management of the Bede Museum.

The Committee provide the full Board with a regular progress report.

### 2.7 Charitable Company Objectives

In setting the governing objects, strategic objectives and plans for the future, the Trustees have given due consideration to general guidance published by the charity commission relating to public benefit.

The governing objects of the charitable company are:

1. To promote the conservation, protection and improvement of the physical and natural environment anywhere within the local Government boundaries of the Metropolitan Boroughs of South Tyneside and North Tyneside.
2. 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 in the Metropolitan Boroughs of South Tyneside and North Tyneside.
3. To advance public education in environmental matters and of the ways of better conserving, protecting and improving the same where so ever.

# Groundwork South and North Tyneside Limited

## Trustees' Report

4 To promote for the public benefit, urban or rural regeneration in areas of social and economic deprivation within the Metropolitan Boroughs of South Tyneside and North Tyneside by all or any of the following means:

4.1 The relief of poverty in such ways as may be thought fit;

4.2 The relief of unemployment in such ways as may be thought fit including assistance to find employment;

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

5. To provide facilities in the interests of social welfare for recreational, cultural and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting in the Metropolitan Boroughs of South Tyneside and North Tyneside through:

*(a) The operation of leisure, cultural and heritage sites, venues or projects;*

*(b) Holding or owning a historic or cultural collection;*

6. To promote sustainable development for the benefit of the public by:

(a) preservation, conservation and the protection of the environment and the prudent use of resources,

(b) the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities;

(c) the promotion of sustainable means of achieving economic and social growth and regeneration.

7. 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.

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

9. To promote the efficiencies and the effectiveness of the Voluntary Sector for the benefit of the public by the provision of information, support and advice to local community groups

### 2.8 Strategic Objectives

To achieve the above objects, the charitable company uses the following six major areas of work to maximise the impact to the communities it serves:

Working with **communities** to build stronger neighbourhoods.

Working to realise the potential of **young people**.

Through **education**, promoting learning, citizenship and sustainability.

Working to reconnect people with **places**.

# Groundwork South and North Tyneside Limited

## Trustees' Report

Working to provide training for **employment** and stimulating **enterprise**.

Working to help **businesses** succeed.

In addition to the above Groundwork delivers three cross cutting themes:

We promote health and well-being by providing the facilities and support to help people become more physically active and make healthier lifestyle choices.

We work closely with housing organisations to plan neighbourhood wide improvements, raise the quality of the housing stock and engage communities to promote greater cohesion.

We promote sustainability and combating climate change by encouraging adults and children to change their behaviour.

### 2.9 Contribution of Volunteers to deliver strategic objectives

A continued support mechanism to the charitable company are volunteers both corporate and local community who provide invaluable support to local projects and supporting local communities. Over the past few years, the charitable company has developed its corporate volunteering model with the support of SAGE, during 2021/22 and the impact of the pandemic, this was scaled back but has recommenced in 2022.

The charitable company has a core of project volunteers who provide support and dedication on a weekly basis to support community projects or local sites such as Jarrow Hall and West Boldon Lodge. To support the recommencement of our programmes post pandemic the volunteering opportunities have increased, thanks to the dedication of our volunteers and additional controls they provided over 7300 volunteering hours to support our vision of changing places, changing lives which equates in total to over £45k in volunteer time.

## 3. OPERATIONAL ACHIEVEMENTS AND FINANCIAL PERFORMANCE

### 3.1 Operational Performance

In 2021 Groundwork celebrated 30 years of delivering our mission in South Tyneside, our services have never been more needed, the impact of the pandemic and cost of living crisis has been significant, this challenge alongside the climate emergency has highlighted the stark inequalities across communities. We tackled these inequalities as we continued to work with partners to build green jobs and deliver across four main areas, Empowering Sustainable Communities, Raising Aspirations, Creating Better Places and Enriching Lives through Culture and Heritage, in the places that needed it most.

In 2021/22 the Charitable Company continued to be impacted by the pandemic but through the support of funders, Government support packages and the commitment of the team, the financial performance in 2021/22 was very stable. Through the support mechanism put in place by Government, Funders and Partners, the Charitable Company was able to access significant new funds to support our work within our communities which were needed more than ever.

Despite, the impact and challenges of the pandemic, the charitable company integrated a number of new operating systems and controls that enable our projects and services to operate in a very controlled and safe environment. Through these controls and public re-assurance, our income during the lockdown was in-line with business plan targets.

To support staff and our projects during 2021/22, the charitable company has made significant improvements and operating changes to enable the management of an ever changing activity portfolio effectively and further work has been undertaken on operating systems to maximise the benefits of agile working.

# Groundwork South and North Tyneside Limited

## Trustees' Report

During the year, the Charitable Company major partnership assets at One Trinity Green and The Beacon continued to increase occupancy and directly support the charitable aims through business support, training and enterprise. The Charitable Company's traditional operations remain stable with growth within the majority of the portfolios which has allowed the Charitable Company to manage the financial changes as mentioned within the report.

The Charitable Company secured and received a variety of grants including:

- National Lottery Fund Grant received from the Local Trust for the development of the Central Jarrow Big Local initiative (£90,214 Restricted Funds)
- National Lottery Fund Grant received from the Local Trust Gardening and Landscaping for Central Jarrow Big Local (£17,191 Restricted Funds)
- Green Space Forum – National Lottery Community Fund Grant to support community groups within parks (£9,415 Restricted)
- National Lottery Community Fund ongoing delivery of Marsden Says to support the development of community programmes and resilience at Marsden Road Centre, total grants received of £192,862, this was released under FRS102 in 2019/20 with £40,090 spent 2021/22.
- Museum Development North East for display equipment at Jarrow Hall (£4,461 released in 2021/22)
- LEAP through Agility Eco to support people living in poverty and the development of the Green Doctor Service (£26,515 released in 2021/22)
- Fuel Vouchers and Community Energy support received from Leeds Community Foundation Community Partnering Fund (Released £8,042 in 2021/22)
- National Lottery Heritage Fund / Green Recovery Challenge Fund in partnership with Groundwork UK (£118,258 released in 2021/22)
- Arts Council England – Cultural Recovery Fund to support Emergency Covid Response activity at Jarrow Hall (£8,548 released in 2021/22)
- Sage Foundation to support Jarrow Hall site development and corporate volunteering opportunities (£4,005 released in 2021/22)
- Tesco Bags for Help via GWUK to support community groups (£4,693 released in 2021/22)
- Children in Need Small Grant to support Forest Playschool at West Boldon Lodge £27,295 secured for delivery over 3 years of which £8,660 released in 2021/22.
- Community Foundation to support enrichment and employability coaching college activity for Route2Work learners £4,992 of which £1,544 was released. In addition, we secured and released £1,000 to support vocational training for young people.
- Kickstart Programmes, through the Government scheme, we delivered this programme we partnered with South Tyneside Council (£25,309), Groundwork North East & Cumbria (£78,693) and Groundwork UK (£52,651).
- Holiday Activity and Food Fund, in partnership with South Tyneside Council, we delivered a programme of targeted clubs (released £13,111 in 2021/22).
- National Lottery Community Fund Awards for All, to deliver summer play project at West Boldon Lodge (2021/22 £10,004 was secured and released).
- Sport England Grant to support Route 2 Work College with a physical activity programme, in 2021/22 (£4,001 was received and £179 released)

# Groundwork South and North Tyneside Limited

## Trustees' Report

- Health and Wellbeing Programmes, through support from South Tyneside Council and First Contact Clinical grants were received in year (£53,444 was released in 2021/22)
- Covid-19 Business Support Grant via South Tyneside Council £32,667 to provide emergency support at Jarrow Hall, Marsden Road Centre and GW Shop.
- Alternative Education Provision, through a framework with North Tyneside Council delivery commenced to support young people (£2,906 was released in 2021/22)
- National Lottery Climate Action Fund, a partnership grant was secured to deliver a pilot Bulky Waste Sustainability Hub project, £149,964 was secured in 2021/22 but not released due to commencement date in 2022/23.
- National Lottery Heritage Fund, a medium grant was secured from NLHF to deliver 'Skills from the Past for the Future' at Jarrow Hall, £249,979 was secured in March 2021 but not released due to commencement date in 2022/23.

In addition, the Charitable Company continued to deliver a number of service contracts, these service contracts allowed the Charitable Company to deliver quality outcomes through inspiring people and creating greener spaces for people to live, work and play.

### 3.2 Contribution to Local Communities

Set out below are some of the ways in which our activities have helped the communities we serve:

**3.2.1 Creating Better Places** It has been proven beyond doubt that having access to good quality green space – a local park, allotment or play area – improves our health and wellbeing and supports children's educational and social development. The projects we deliver provide a meaningful opportunity for us to work with local communities to have a say around the quality of their local environment and support practical activities that create enhanced green spaces for people to live, work and play. Last year, Groundwork:

- Supported over 7300 hours of community volunteering hours.
- Support 42 young people through the Governments Kickstart Scheme
- Improved 79 acres of community woodland.
- Supported 31 community groups to carry out local projects.

### 3.2.2 Improving People's Prospects

We believe that a person's background or circumstances shouldn't hinder their future prospects and we are committed to ensuring that those we support receive the help they need to realise their true potential. A unique approach is designed to benefit both individuals, the local environment and neighbourhoods. We provide opportunities for people to further their education, training and employment prospects by providing grass root solutions.

Last year, Groundwork;

- Supported school children with environmental education to over 55 schools despite on-line learning.
- Support 69 participants of which 41 progress into employment, training or volunteering.
- Helped 29 specialist needs learners with education and training.

# Groundwork South and North Tyneside Limited

## Trustees' Report

### 3.2.3 Promoting Greener Living and Working.

Building sustainable communities involves changing behaviours, through our project we have helped individuals, households and whole organisations think and act differently to conserve natural resources as well as providing practical solutions to help reduce household bills and improve health and wellbeing.

Last year, Groundwork:

- Supported 245 households with energy advice
- Identified new income / savings of over £243,198
- Fitted 2007 small energy saving measures e.g. LED lightbulbs, radiator reflectors and draft excluders saving 650.445 carbon units
- New community shop channelled 876 items into the circular economy and recycling 603kgs of items
- The Groundwork Shop saved 120.4 tonnes of preloved furniture from end of life, creating a circular economy.
- Through Crisis teams across the North East we have assisted destitute families in real crisis to make a house a home engaging 5000+ local people.

### 3.3 External Challenging Factors Relevant to Achieve Objectives

During the financial year, the main significant external factors that have challenged the Charitable Company during this period was the Covid-19 pandemic, as mentioned above this had a significant impact on operations and staff during the year.

The continued reduction of public sector funding has had an effect on grants provided to the charitable sector. This alongside increased demand on grant funding bodies has resulted in fewer grant applications being funded and therefore the Charitable Company continues to look at self-financing models and the introduction of financial contribution to selected community based services.

We continue to work with partners to look at new opportunities of embedding climate action and sustainability into our employment programmes to provide the best possible support packages around the Green Jobs agenda.

### 3.4 Financial Performance

The Charitable Company's and its group had a total income of £2,009,368 compared to £1,951,672 last year.

During the financial year the Charitable Company secured contracts, service level agreements and grant funding from many organisations including Central Government, North Tyneside Council, South Tyneside Metropolitan Borough Council, South Tyneside Public Health, The National Lottery Community Fund, Big Local, Sage Foundation, Land Trust, Ward Improvement Fund, National Grid, South Tyneside Homes, Ballinger Trust, Tesco, Agility Eco, Community Foundation, Museum Development North East, National Lottery Heritage Fund, Arts Council England, Sport England and Children in Need.

The Charitable Company wishes to thank the partnership organisations that have supported the Company over the past year.

# **Groundwork South and North Tyneside Limited**

## **Trustees' Report**

At the end of the year the Charitable Company held reserves of £2,883,112 (2021 £2,924,246).

Held as part of the reserves are Freehold and Leasehold properties valued at £2,263,439. There are no designated or otherwise committed funds. The reserves, after allowing for the above properties and other tangible assets required to operate the Charitable Company was £530,192 (2021 £540,089).

### **3.5 Asset Management**

The Charitable Company undertook a detailed asset review of all freehold and leasehold assets held within the fixed assets.

The Trustees remain aware that efforts will continue to be required to cut fixed asset costs and asset reduce overheads and to benefit from economies of scale through potential further development opportunities within the trading subsidiary. The Charitable Company will also continue developing its service delivery utilising our community based assets as service hubs.

### **3.6 Investment policy and performance**

The Trustees have the power to invest in such assets as they see fit.

The Charitable Company may need to react quickly to particular needs and therefore has a policy of keeping surplus liquid funds in short term deposits which can be readily accessed.

The Board undertake an annual review of the investment strategy / policy to ensure that funds are utilised and provide the most beneficial return to the charitable company, this annual review also informs the reserves policy.

### **3.7 Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

## **4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Charitable Company as part of its annual Business Plan sets out a number of Financial Objectives that are overseen by Resources Committee. These objectives relate to the level of working capital, total funds available, management of higher risk activities and investments. The committee measure performance against these objectives on a quarterly basis with a report presented to the Board of Trustees.

# Groundwork South and North Tyneside Limited

## Trustees' Report

### 4.1 Principal risks and uncertainties

The Charitable Company produces an annual Risk Register that sets out the principle risks to the organisation and the necessary contract required to manage such risks. The risk register is managed by the Executive Team with an annual report presented to the Board.

The main risks to the charitable company are relationship management of key stakeholder, effective management of health & safety, continued reduction in government funding and management of higher risk activities. Below is a summary of the main areas of risk, for which we have the necessary strategies / risk management plans in place:

- Failure to secure management of new programmes, threatening the long-term viability of the organisation.
- An unexpected withdrawal of funding from a major partner.
- A major personal incident health & safety or safeguarding occurring on local projects.
- Non-compliance to data security, health & safety and environmental regulations.
- Ongoing change management within the Groundwork Federation impacting on the Federation's ability to deliver national programmes.

### 4.2 Risk Management

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that steps can be taken to lessen these risks. These risks are linked to the above principal risks and uncertainties.

### 4.3 Reserves Policy

The Trustees have reviewed the Charitable Company's reserves requirements in accordance with the guidelines issued by the Charity Commission for England and Wales.

In formulating the policy, the Trustees have taken into account the Charitable Company's expenditure commitments and the sources, reliability and timing of its income flows. In addition, future needs, opportunities, contingencies and risks have been analysed and assessed.

The Trustees agree on an annual basis the agreed working capital requirement for the Charitable Company that enables the organisation to operate in-line with the reserves policy and guidelines.

### 4.4 Pay Policy for Senior Staff

The Resource Committee of the Board are responsible for the setting of remuneration for the organisation's staff including the Executive Team. The organisation has a robust annual appraisal process that monitors past performance and sets the forthcoming year's key performance indicators and contribution to the Business Plan.

# Groundwork South and North Tyneside Limited

## Trustees' Report

### 5. PLANS FOR FUTURE PERIODS - FUTURE DEVELOPMENTS

The charitable company in 2020 adopted the Groundwork Federation strategy that sets out its plans and vision for the future of the charitable company, below is a summary of the strategy:

Over the next few years, we will continue to provide services that enable us to deliver our vision of 'Changing Places and Changing Lives'. We will do this by embedding innovation and sustainability in all we do, maximising impact and outcomes.

Over the next few years, we will continue to provide services that enable us to deliver our vision of 'Changing Places and Changing Lives'. We will do this by embedding innovation and sustainability in all we do, maximising impact and outcomes.

Groundwork is a federation of charities mobilising practical community action on poverty and the environment across the UK. 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.
- No-one is held back by their background or circumstances.

We believe that working with local communities to build their resilience is vital in facing up to the challenges of a globalised economy and a changing climate.

#### Why this Matters:

- 89% of community groups say their work is needed more than ever, but more than half say it has got harder for them to operate in the last ten years.
- 75% of people say they feel unable to influence decisions about what happens in their local area. Nearly half of young people<sup>2</sup> say they feel they don't belong to their neighbourhood.
- 2.69 million people do not live within a ten minute walk of a green space. Those who are at greatest risk of poor physical and mental health are more likely to miss out on the benefits of green space.
- Around half a million young people were 'economically inactive' - not in learning or employment and not looking for work – before Covid-19, a number which has been slowly rising.
- One in ten households in England is experiencing fuel poverty, rising to almost one in five for ethnic minority households.
- 76% of adults say they are concerned about climate change.
- 40% of young people admit to feeling 'overwhelmed' by the climate crisis.
- 90% of SMEs said being sustainable was important for their business but more than half said they were finding it difficult to take action.

#### Our Impact and Change we deliver:

Our work supports people facing multiple challenges – living in isolation or with significant health issues, in communities with few facilities, limited employment prospects and vulnerable to extreme weather events.

- We create better places - Making communities greener, safer and healthier by enabling people to work together to bring about change in their local area.

# Groundwork South and North Tyneside Limited

## Trustees' Report

- We improve people's prospects - Increasing the confidence, skills, wellbeing and employability of those struggling in education or out of work.
- We promote greener choices - Helping people and businesses reduce their environmental impact, cut waste, save money and live more healthily

Due to the continued impact of pandemic, the Charitable Company has accessed a number of external grants during 2021/22 to support the organisation and communities through this difficult time, these funds will be committed in-line with the funding agreements, and the Charitable Company will continue to work with partners and stakeholders to access funds to support local communities.

To support the plans for the future, a number of KPI's are agreed by the Trustees' of the Charitable Company on an annual basis. The Charitable Company holds an annual Business Development Session where the Trustees and Executive Team review existing strategic direction and activities and set the future direction of the charitable company.

To support the plans for the future, a number of KPI's are agreed by the Trustees' of the Charitable Company on an annual basis. The Charitable Company holds an annual Business Development Session where the Trustees and Executive Team review existing strategic direction and activities and set the future direction of the charitable company.

The Charitable Company is looking to expand its charitable operations especially with our communities team linked to wider education services and community events. Further, through the integration of TEN North East into Groundwork, the charitable company hopes to expand its training & development and young carers services as well as working across the Groundwork Federation especially through Groundwork in the North to develop enhanced collaboration and business development.

### ***Fundraising disclosures***

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

### ***Public benefit***

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

# Groundwork South and North Tyneside Limited

## Trustees' Report

### Statement of Trustees' Responsibilities

The trustees (who are also the directors of Groundwork South and North Tyneside Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to auditor

Each trustee has taken 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 the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

### Reappointment of auditor

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 13/12/2022..... and signed on its behalf by:



Diana Pearce 14 Dec 2022 11:41:59 GMT (UTC +0)

D C Pearce  
Trustee



Jeffrey Owen 13 Dec 2022 12:02:10 GMT (UTC +0)

J D Owen  
Trustee

# Groundwork South and North Tyneside Limited

## Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited

### Opinion

We have audited the financial statements of Groundwork South and North Tyneside Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, 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 group's and parent charity's affairs as at 31 March 2022 and of the group's 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 group 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 group's ability to continue as a going concern for a period of at least twelve months from when the 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.

## **Groundwork South and North Tyneside Limited**

### **Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited**

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 14), 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## **Groundwork South and North Tyneside Limited**

### **Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited**

Enquiries with management about any known or suspected instances of non-compliance with laws and regulations including fraud;

- Reviewing the most recent reports issued by regulators;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: compliance with the UK Companies Act, and the Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or recognise the non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Groundwork South and North Tyneside Limited

### Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited

#### Use of our report

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



Simon Brown BA ACA DChA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Chartered Accountants

Statutory Auditor

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Date: 14/12/2022

Azets Audit Services is a trading name of Azets Audit Services Limited.

## Groundwork South and North Tyneside Limited

### Consolidated Statement of Financial Activities for the Year Ended 31 March 2022

#### (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

|                                    | Note | Unrestricted<br>£       | Restricted<br>£       | Total<br>2022<br>£      | Total<br>2021<br>£      |
|------------------------------------|------|-------------------------|-----------------------|-------------------------|-------------------------|
| <b>Income and Endowments from:</b> |      |                         |                       |                         |                         |
| Donations and legacies             | 3    | 73,321                  | -                     | 73,321                  | 259,992                 |
| Charitable activities              | 4    | 594,694                 | 1,092,573             | 1,687,267               | 1,320,606               |
| Other trading activities           | 5    | 143,015                 | -                     | 143,015                 | 88,341                  |
| Investment income                  | 6    | 91,387                  | -                     | 91,387                  | 62,276                  |
| Other income                       | 7    | 14,378                  | -                     | 14,378                  | 220,457                 |
| Total Income                       |      | <u>916,795</u>          | <u>1,092,573</u>      | <u>2,009,368</u>        | <u>1,951,672</u>        |
| <b>Expenditure on:</b>             |      |                         |                       |                         |                         |
| Raising funds                      |      | (141,808)               | -                     | (141,808)               | (123,693)               |
| Charitable activities              | 8    | <u>(764,494)</u>        | <u>(1,144,200)</u>    | <u>(1,908,694)</u>      | <u>(1,714,788)</u>      |
| Total Expenditure                  |      | <u>(906,302)</u>        | <u>(1,144,200)</u>    | <u>(2,050,502)</u>      | <u>(1,838,481)</u>      |
| Net income/(expenditure)           |      | 10,493                  | (51,627)              | (41,134)                | 113,191                 |
| Transfers between funds            |      | <u>(11,344)</u>         | <u>11,344</u>         | <u>-</u>                | <u>-</u>                |
| Net movement in funds              |      | (851)                   | (40,283)              | (41,134)                | 113,191                 |
| <b>Reconciliation of funds</b>     |      |                         |                       |                         |                         |
| Total funds brought forward        |      | <u>2,726,031</u>        | <u>198,215</u>        | <u>2,924,246</u>        | <u>2,811,055</u>        |
| Total funds carried forward        | 23   | <u><u>2,725,180</u></u> | <u><u>157,932</u></u> | <u><u>2,883,112</u></u> | <u><u>2,924,246</u></u> |

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

The funds breakdown for 2021 is shown in note 23.

## Groundwork South and North Tyneside Limited

### Comparative Consolidated Statement of Financial Activities for the Year Ended 31 March 2021 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

|                                    | Note | Unrestricted<br>£       | Restricted<br>£       | Total<br>2021<br>£      |
|------------------------------------|------|-------------------------|-----------------------|-------------------------|
| <b>Income and Endowments from:</b> |      |                         |                       |                         |
| Donations and legacies             | 3    | 256,189                 | 3,803                 | 259,992                 |
| Charitable activities              | 4    | 504,445                 | 816,161               | 1,320,606               |
| Other trading activities           | 5    | 88,341                  | -                     | 88,341                  |
| Investment income                  | 6    | 62,276                  | -                     | 62,276                  |
| Other income                       | 7    | 220,457                 | -                     | 220,457                 |
| Total income                       |      | <u>1,131,708</u>        | <u>819,964</u>        | <u>1,951,672</u>        |
| <b>Expenditure on:</b>             |      |                         |                       |                         |
| Raising funds                      |      | (123,693)               | -                     | (123,693)               |
| Charitable activities              | 8    | <u>(694,063)</u>        | <u>(1,020,725)</u>    | <u>(1,714,788)</u>      |
| Total expenditure                  |      | <u>(817,756)</u>        | <u>(1,020,725)</u>    | <u>(1,838,481)</u>      |
| Net income/(expenditure)           |      | 313,952                 | (200,761)             | 113,191                 |
| Transfers between funds            |      | <u>(148,320)</u>        | <u>148,320</u>        | <u>-</u>                |
| Net movement in funds              |      | 165,632                 | (52,441)              | 113,191                 |
| <b>Reconciliation of funds</b>     |      |                         |                       |                         |
| Total funds brought forward        |      | <u>2,560,399</u>        | <u>250,656</u>        | <u>2,811,055</u>        |
| Total funds carried forward        | 23   | <u><u>2,726,031</u></u> | <u><u>198,215</u></u> | <u><u>2,924,246</u></u> |

# Groundwork South and North Tyneside Limited

(Registration number: 02592100)

## Consolidated Balance Sheet as at 31 March 2022

|                                                                | Note | 2022<br>£        | 2021<br>£        |
|----------------------------------------------------------------|------|------------------|------------------|
| <b>Fixed assets</b>                                            |      |                  |                  |
| Tangible assets                                                | 15   | 2,352,920        | 2,384,159        |
| <b>Current assets</b>                                          |      |                  |                  |
| Stocks                                                         | 17   | 4,160            | 1,323            |
| Debtors                                                        | 18   | 676,894          | 530,433          |
| Cash at bank and in hand                                       | 19   | 434,362          | 498,879          |
|                                                                |      | <u>1,115,416</u> | <u>1,030,635</u> |
| <b>Creditors: Amounts falling due within one year</b>          | 20   | <u>(552,175)</u> | <u>(448,048)</u> |
| <b>Net current assets</b>                                      |      | <u>563,241</u>   | <u>582,587</u>   |
| <b>Total assets less current liabilities</b>                   |      | 2,916,161        | 2,966,746        |
| <b>Creditors: Amounts falling due after more than one year</b> | 21   | <u>(33,049)</u>  | <u>(42,500)</u>  |
| <b>Net assets</b>                                              |      | <u>2,883,112</u> | <u>2,924,246</u> |
| <b>Funds of the group:</b>                                     |      |                  |                  |
| <b>Restricted</b>                                              |      | 157,932          | 198,215          |
| <b>Unrestricted income funds</b>                               |      |                  |                  |
| General funds                                                  |      | <u>2,725,180</u> | <u>2,726,031</u> |
| <b>Total funds</b>                                             | 23   | <u>2,883,112</u> | <u>2,924,246</u> |

The financial statements on pages 19 to 43 were approved by the trustees, and authorised for issue on 13/12/2022..... and signed on their behalf by:

  
Diana Pearce 14 Dec 2022 11:41:59 GMT (UTC +0)  
.....  
D C Pearce  
Trustee

  
Jeffrey Owen 13 Dec 2022 12:02:10 GMT (UTC +0)  
.....  
J D Owen  
Trustee

# Groundwork South and North Tyneside Limited

(Registration number: 02592100)  
Balance Sheet as at 31 March 2022

|                                                                | Note | 2022<br>£        | 2021<br>£        |
|----------------------------------------------------------------|------|------------------|------------------|
| <b>Fixed assets</b>                                            |      |                  |                  |
| Tangible assets                                                | 15   | 2,348,893        | 2,378,909        |
| Investments                                                    | 16   | <u>3</u>         | <u>3</u>         |
|                                                                |      | <u>2,348,896</u> | <u>2,378,912</u> |
| <b>Current assets</b>                                          |      |                  |                  |
| Debtors                                                        | 18   | 661,309          | 573,478          |
| Cash at bank and in hand                                       | 19   | <u>376,101</u>   | <u>395,867</u>   |
|                                                                |      | 1,037,410        | 969,345          |
| <b>Creditors: Amounts falling due within one year</b>          | 20   | <u>(538,063)</u> | <u>(437,849)</u> |
| <b>Net current assets</b>                                      |      | <u>499,347</u>   | <u>531,496</u>   |
| <b>Total assets less current liabilities</b>                   |      | 2,848,243        | 2,910,408        |
| <b>Creditors: Amounts falling due after more than one year</b> | 21   | <u>(33,049)</u>  | <u>(42,500)</u>  |
| <b>Net assets</b>                                              |      | <u>2,815,194</u> | <u>2,867,908</u> |
| <b>Funds of the charity:</b>                                   |      |                  |                  |
| <b>Restricted</b>                                              |      | 127,898          | 166,298          |
| <b>Unrestricted income funds</b>                               |      |                  |                  |
| Unrestricted funds                                             |      | <u>2,687,296</u> | <u>2,701,610</u> |
| <b>Total funds</b>                                             | 23   | <u>2,815,194</u> | <u>2,867,908</u> |

The financial statements on pages 19 to 43 were approved by the trustees, and authorised for issue on 13/12/2022..... and signed on their behalf by:

  
Diana Pearce 14 Dec 2022 11:41:59 GMT (UTC +0)  
.....  
D C Pearce  
Trustee

  
Jeffrey Owen 13 Dec 2022 12:02:10 GMT (UTC +0)  
.....  
J D Owen  
Trustee

# Groundwork South and North Tyneside Limited

## Consolidated Statement of Cash Flows for the Year Ended 31 March 2022

|                                                      | Note | 2022<br>£             | 2021<br>£             |
|------------------------------------------------------|------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>          |      |                       |                       |
| Net cash (expenditure)/income                        |      | (41,134)              | 113,191               |
| <b>Adjustments to cash flows from non-cash items</b> |      |                       |                       |
| Depreciation                                         |      | 90,636                | 98,760                |
| Investment income                                    | 6    | <u>(91,387)</u>       | <u>(62,276)</u>       |
|                                                      |      | (41,885)              | 149,675               |
| <b>Working capital adjustments</b>                   |      |                       |                       |
| Increase in stocks                                   | 17   | (2,837)               | (17,121)              |
| (Increase)/decrease in debtors                       | 18   | (146,461)             | 93,323                |
| Increase in creditors                                | 20   | <u>102,176</u>        | <u>8,643</u>          |
| Net cash flows from operating activities             |      | <u>(89,007)</u>       | <u>234,520</u>        |
| <b>Cash flows from investing activities</b>          |      |                       |                       |
| Interest receivable and similar income               | 6    | 91,387                | 62,276                |
| Purchase of tangible fixed assets                    | 15   | <u>(59,397)</u>       | <u>(12,195)</u>       |
| Net cash flows from investing activities             |      | 31,990                | 50,081                |
| <b>Cash flows from financing activities</b>          |      |                       |                       |
| Repayment of loans and borrowings                    | 20   | <u>(7,500)</u>        | <u>50,000</u>         |
| Net (decrease)/increase in cash and cash equivalents |      | (64,517)              | 334,601               |
| Cash and cash equivalents at 1 April                 |      | <u>498,879</u>        | <u>164,278</u>        |
| Cash and cash equivalents at 31 March                |      | <u><u>434,362</u></u> | <u><u>498,879</u></u> |

All of the cash flows are derived from continuing operations during the above two periods.

# Groundwork South and North Tyneside Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. There are three members, each of whom have undertaken to contribute an amount not exceeding £1 in the event of a winding up. The members are:

Federation of Groundwork Trusts  
South Tyneside Metropolitan Borough Council  
North East Chamber of Commerce, Trade and Industry

The address of its registered office is: The Eco Centre, Windmill Way, Hebburn, Tyne & Wear, NE31 1SR

### 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 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

#### Basis of preparation

Groundwork South and North Tyneside meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The functional currency of the group is the £ Sterling.

#### Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2022.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit after tax for the financial year of £52,714 (2021 - surplus of £117,406).

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### Going concern

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group.

#### Estimation uncertainty and judgements

In the application of the Trust's accounting policies, the directors 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.

There are no significant accounting estimates which are considered to materially impact the financial statements.

#### Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

# Groundwork South and North Tyneside Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### ***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.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

### ***Grants receivable***

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

### ***Investment income***

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

### ***Expenditure***

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

### ***Governance costs***

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

# Groundwork South and North Tyneside Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### Government grants

Government grants are recognised based on the performance model and are measured at the fair value of the asset received or receivable. Grants are recognised in income where there are no performance conditions. If there are such performance conditions, then the income is deferred and recognised as deferred income within creditors.

### Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### Tangible fixed assets

Individual fixed assets costing £1,000.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

### 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      |
|-----------------------------|-----------------------------------|
| Land and Buildings          | 2% Straight Line                  |
| Plant and Machinery         | 6.67% straight line               |
| Motor vehicles              | 20% straight line                 |
| Other Tangible fixed assets | between 20% and 40% straight line |

### Stock

Stock is valued at the lower of cost and net realisable value.

### 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 comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

# Groundwork South and North Tyneside Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 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.

### Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

### Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the group.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

# Groundwork South and North Tyneside Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### Pensions and other post retirement obligations

The group operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

The Charitable Company also operates a defined benefit contribution scheme through The Federation of Groundwork Trusts which is currently administered by Aegon Scottish Equitable. The scheme is available to all employees. The assets of the scheme are held separately from those of the Charitable Company. The annual contributions payable are charged to the statement of financial activities.

A few current and previous employees of the Charitable Company participate in Tyne and Wear Pension fund, a defined benefit scheme. However, the scheme is a multiple employer scheme and the Charitable Company is unable to identify its share of the underlying assets and liabilities. Contributions payable to the scheme are charged to the income and expenditure account so as to spread the cost of the pension over the employees' expected working life. The pension charge is calculated on the basis of actuarial advice. The contributions are invested separately from the Charitable Company's Assets.

### Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### 3 Income from donations and legacies

|                                   | Unrestricted<br>funds<br>General<br>£ | Restricted<br>funds<br>£ | Total<br>2022<br>£ |
|-----------------------------------|---------------------------------------|--------------------------|--------------------|
| Donations and legacies;           |                                       |                          |                    |
| Donations                         | 20,137                                | -                        | 20,137             |
| Legacies                          | 10,000                                | -                        | 10,000             |
| Grants, including capital grants; |                                       |                          |                    |
| Government grants                 | 28,725                                | -                        | 28,725             |
| Grants                            | 14,459                                | -                        | 14,459             |
|                                   | <u>73,321</u>                         | <u>-</u>                 | <u>73,321</u>      |

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

|                                   | Unrestricted<br>funds<br>General<br>£ | Restricted<br>funds<br>£ | Total<br>2021<br>£ |
|-----------------------------------|---------------------------------------|--------------------------|--------------------|
| Donations and legacies;           |                                       |                          |                    |
| Donations                         | 8,100                                 | -                        | 8,100              |
| Grants, including capital grants; |                                       |                          |                    |
| Government grants                 | 242,095                               | -                        | 242,095            |
| Grants                            | 5,994                                 | 3,803                    | 9,797              |
|                                   | <u>256,189</u>                        | <u>3,803</u>             | <u>259,992</u>     |

#### 4 Income from charitable activities

|                              | Unrestricted<br>funds<br>General<br>£ | Restricted<br>funds<br>£ | Total<br>2022<br>£ |
|------------------------------|---------------------------------------|--------------------------|--------------------|
| Project Income - Employment  | 2,906                                 | 489,420                  | 492,326            |
| Project Income - Business    | 25,784                                | -                        | 25,784             |
| Project Income - Education   | 77,282                                | 47,274                   | 124,556            |
| Project Income - Communities | 365,890                               | 352,908                  | 718,798            |
| Project Income - Land        | 122,832                               | 20,947                   | 143,779            |
| Ten North East Activities    | -                                     | 182,024                  | 182,024            |
|                              | <u>594,694</u>                        | <u>1,092,573</u>         | <u>1,687,267</u>   |

|                              | Unrestricted<br>funds<br>General<br>£ | Restricted<br>funds<br>£ | Total<br>2021<br>£ |
|------------------------------|---------------------------------------|--------------------------|--------------------|
| Project Income - Employment  | -                                     | 251,000                  | 251,000            |
| Project Income - Business    | 107,415                               | 76                       | 107,491            |
| Project Income - Education   | 46,504                                | 44,433                   | 90,937             |
| Project Income - Communities | 239,519                               | 260,571                  | 500,090            |
| Project Income - Land        | 111,007                               | 36,783                   | 147,790            |
| Ten North East Activities    | -                                     | 223,298                  | 223,298            |
|                              | <u>504,445</u>                        | <u>816,161</u>           | <u>1,320,606</u>   |

#### 5 Income from other trading activities

|                                | Unrestricted<br>funds<br>General<br>£ | Total<br>2022<br>£ |
|--------------------------------|---------------------------------------|--------------------|
| Income from trading subsidiary |                                       |                    |
| Trading income - Windmill      | 143,015                               | 143,015            |
|                                | <u>143,015</u>                        | <u>143,015</u>     |

# Groundwork South and North Tyneside Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

|                                | Unrestricted<br>funds<br>General<br>£ | Total<br>2021<br>£ |
|--------------------------------|---------------------------------------|--------------------|
| Trading income;                |                                       |                    |
| Jarrow Hall shop takings       | 3,702                                 | 3,702              |
| Income from trading subsidiary |                                       |                    |
| Trading income - Windmill      | 84,639                                | 84,639             |
|                                | <u>88,341</u>                         | <u>88,341</u>      |

### 6 Investment income

|                                         | Unrestricted<br>funds<br>General<br>£ | Total<br>2022<br>£ |
|-----------------------------------------|---------------------------------------|--------------------|
| Interest receivable and similar income; |                                       |                    |
| Interest receivable on bank deposits    | 163                                   | 163                |
| Income from rents from Eco Centre       | 91,224                                | 91,224             |
|                                         | <u>91,387</u>                         | <u>91,387</u>      |

|                                         | Unrestricted<br>funds<br>General<br>£ | Total<br>2021<br>£ |
|-----------------------------------------|---------------------------------------|--------------------|
| Interest receivable and similar income; |                                       |                    |
| Interest receivable on bank deposits    | 181                                   | 181                |
| Income from rents from Eco Centre       | 62,095                                | 62,095             |
|                                         | <u>62,276</u>                         | <u>62,276</u>      |

### 7 Other income

|              | Unrestricted<br>funds<br>General<br>£ | Total<br>2022<br>£ |
|--------------|---------------------------------------|--------------------|
| Other income | 14,378                                | 14,378             |

|              | Unrestricted<br>funds<br>General<br>£ | Total<br>2021<br>£ |
|--------------|---------------------------------------|--------------------|
| Other income | 220,457                               | 220,457            |

Other income in the prior year included £204,000 received from South Tyneside Council. This was an exceptional release of funds relating to historical funding agreement with South Tyneside Council which both parties have agreed to front-load to a one-off lump sum due to the level of administration required on a historical agreement.

# Groundwork South and North Tyneside Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 8 Expenditure on charitable activities

|                           | <b>Unrestricted<br/>funds<br/>General<br/>£</b>   | <b>Restricted<br/>funds<br/>£</b>           | <b>Total<br/>2022<br/>£</b> |
|---------------------------|---------------------------------------------------|---------------------------------------------|-----------------------------|
| Employment                | 155,063                                           | 484,196                                     | 639,259                     |
| Business                  | 21,305                                            | -                                           | 21,305                      |
| Education                 | 72,679                                            | 53,238                                      | 125,917                     |
| Communities               | 391,140                                           | 396,164                                     | 787,304                     |
| Land                      | 103,913                                           | 24,750                                      | 128,663                     |
| Ten North East Activities | 20,394                                            | 185,852                                     | 206,246                     |
|                           | <u>764,494</u>                                    | <u>1,144,200</u>                            | <u>1,908,694</u>            |
|                           | <b>Unrestricted<br/>funds<br/>General<br/>£</b>   | <b>Restricted<br/>funds<br/>£</b>           | <b>Total<br/>2021<br/>£</b> |
| Employment                | 10,767                                            | 296,935                                     | 307,702                     |
| Business                  | 130,651                                           | 112                                         | 130,763                     |
| Education                 | 59,996                                            | 52,343                                      | 112,339                     |
| Communities               | 338,065                                           | 416,579                                     | 754,644                     |
| Land                      | 126,987                                           | 41,318                                      | 168,305                     |
| Ten North East Activities | 27,597                                            | 213,438                                     | 241,035                     |
|                           | <u>694,063</u>                                    | <u>1,020,725</u>                            | <u>1,714,788</u>            |
|                           | <b>Activity<br/>undertaken<br/>directly<br/>£</b> | <b>Activity<br/>support<br/>costs<br/>£</b> | <b>2022<br/>£</b>           |
| Employment                | 479,062                                           | 160,197                                     | 639,259                     |
| Business                  | 11,597                                            | 9,708                                       | 21,305                      |
| Education                 | 87,081                                            | 38,836                                      | 125,917                     |
| Communities               | 559,146                                           | 228,158                                     | 787,304                     |
| Land                      | 80,119                                            | 48,544                                      | 128,663                     |
| Ten North East Activities | 160,701                                           | 45,545                                      | 206,246                     |
|                           | <u>1,377,706</u>                                  | <u>530,988</u>                              | <u>1,908,694</u>            |

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

|                           | Activity<br>undertaken<br>directly<br>£ | Activity<br>support<br>costs<br>£ | 2021<br>£        |
|---------------------------|-----------------------------------------|-----------------------------------|------------------|
| Employment                | 228,882                                 | 78,820                            | 307,702          |
| Business                  | 125,075                                 | 5,688                             | 130,763          |
| Education                 | 82,177                                  | 30,162                            | 112,339          |
| Communities               | 547,804                                 | 206,840                           | 754,644          |
| Land                      | 120,751                                 | 47,554                            | 168,305          |
| Ten North East Activities | 187,005                                 | 54,030                            | 241,035          |
|                           | <u>1,291,694</u>                        | <u>423,094</u>                    | <u>1,714,788</u> |

In addition to the expenditure analysed above, there are also governance costs of £14,103 (2021 - £17,970) which relate directly to charitable activities. See note 9 for further details.

#### 9 Analysis of governance and support costs

##### Support costs allocated to charitable activities

|                             | Employment<br>£ | Business<br>£ | Education<br>£ | Communities<br>£ | Land<br>£     | Ten<br>North<br>East<br>Activities<br>£ | Total<br>2022<br>£ |
|-----------------------------|-----------------|---------------|----------------|------------------|---------------|-----------------------------------------|--------------------|
| Staff costs                 | 62,577          | 3,793         | 15,170         | 89,125           | 18,963        | 23,551                                  | 213,179            |
| Depreciation                | 26,331          | 1,596         | 6,383          | 37,502           | 7,979         | 4,083                                   | 83,874             |
| Premises Costs              | 26,873          | 1,629         | 6,515          | 38,273           | 8,143         | -                                       | 81,433             |
| Repairs and<br>maintenance  | 6,240           | 376           | 1,513          | 8,883            | 1,890         | 38                                      | 18,940             |
| Security costs              | 5,034           | 305           | 1,220          | 7,170            | 1,526         | -                                       | 15,255             |
| Office costs                | 9,915           | 601           | 2,404          | 14,122           | 3,004         | 610                                     | 30,656             |
| Motor and travel            | 1,184           | 72            | 287            | 1,687            | 359           | 395                                     | 3,984              |
| Bank charges                | 645             | 39            | 156            | 919              | 195           | 570                                     | 2,524              |
| General<br>expenses         | 13,070          | 792           | 3,169          | 18,615           | 3,961         | 170                                     | 39,777             |
| Professional<br>Fees        | 1,631           | 99            | 395            | 2,323            | 494           | 13,321                                  | 18,263             |
| Groundwork UK<br>Membership | 2,970           | 180           | 720            | 4,230            | 900           | -                                       | 9,000              |
| Governance<br>costs         | <u>3,727</u>    | <u>226</u>    | <u>904</u>     | <u>5,309</u>     | <u>1,130</u>  | <u>2,807</u>                            | <u>14,103</u>      |
|                             | <u>160,197</u>  | <u>9,708</u>  | <u>38,836</u>  | <u>228,158</u>   | <u>48,544</u> | <u>45,545</u>                           | <u>530,988</u>     |

# Groundwork South and North Tyneside Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

|                          | Employment    | Business     | Education     | Communities    | Land          | Ten North East Activities | Total 2021     |
|--------------------------|---------------|--------------|---------------|----------------|---------------|---------------------------|----------------|
|                          | £             | £            | £             | £              | £             | £                         | £              |
| Staff costs              | 28,830        | 2,101        | 10,444        | 58,722         | 16,974        | 27,422                    | 144,493        |
| Depreciation             | 9,728         | 650          | 5,129         | 68,116         | 6,874         | 8,265                     | 98,762         |
| Premises Costs           | 15,976        | 1,165        | 5,788         | 31,761         | 9,407         | -                         | 64,097         |
| Repairs and maintenance  | 10,987        | 802          | 3,981         | 21,844         | 6,469         | 2,339                     | 46,422         |
| Security costs           | 4,269         | 311          | 1,547         | 8,489          | 2,514         | -                         | 17,130         |
| Office costs             | 1,795         | 132          | 650           | 3,567          | 1,057         | 5,563                     | 12,764         |
| Motor and travel         | 471           | 34           | 171           | 936            | 277           | 105                       | 1,994          |
| Bank charges             | 389           | 28           | 141           | 774            | 229           | 649                       | 2,210          |
| General expenses         | 1,180         | 86           | 428           | 2,301          | 695           | 3,108                     | 7,798          |
| Professional Fees        | 1,191         | 87           | 432           | 2,369          | 701           | 924                       | 5,704          |
| Groundwork UK Membership | 935           | 68           | 339           | 1,858          | 550           | -                         | 3,750          |
| Governance costs         | 3,069         | 224          | 1,112         | 6,103          | 1,807         | 5,655                     | 17,970         |
|                          | <u>78,820</u> | <u>5,688</u> | <u>30,162</u> | <u>206,840</u> | <u>47,554</u> | <u>54,030</u>             | <u>423,094</u> |

### 10 Net incoming/outgoing resources

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

|                              | 2022<br>£     | 2021<br>£     |
|------------------------------|---------------|---------------|
| Audit fees                   | 11,295        | 10,750        |
| Depreciation of fixed assets | <u>90,636</u> | <u>98,760</u> |

### 11 Trustees remuneration and expenses

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

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

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 12 Staff costs

The aggregate payroll costs were as follows:

|                                          | 2022<br>£        | 2021<br>£        |
|------------------------------------------|------------------|------------------|
| <b>Staff costs during the year were:</b> |                  |                  |
| Wages and salaries                       | 1,176,339        | 1,192,969        |
| Social security costs                    | 65,661           | 67,865           |
| Pension costs                            | 58,618           | 57,373           |
|                                          | <u>1,300,618</u> | <u>1,318,207</u> |

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

|           | 2022<br>No | 2021<br>No |
|-----------|------------|------------|
| Full time | <u>66</u>  | <u>57</u>  |

The number of employees whose emoluments fell within the following bands was:

|                   | 2022<br>No | 2021<br>No |
|-------------------|------------|------------|
| £60,001 - £70,000 | <u>1</u>   | <u>1</u>   |

The total employee benefits of the key management personnel of the group were £87,756 (2021 - £88,310).

#### 13 Auditors' remuneration

|                                   | 2022<br>£     | 2021<br>£     |
|-----------------------------------|---------------|---------------|
| Audit of the financial statements | <u>11,295</u> | <u>10,750</u> |

#### 14 Taxation

The group is a registered charity and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

# Groundwork South and North Tyneside Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 15 Tangible fixed assets

#### Group

|                       | Land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Other<br>tangible fixed<br>asset<br>£ | Total<br>£ |
|-----------------------|----------------------------|-----------------------------|------------------------|---------------------------------------|------------|
| <b>Cost</b>           |                            |                             |                        |                                       |            |
| At 1 April 2021       | 5,583,989                  | 222,092                     | 36,800                 | 397,349                               | 6,240,230  |
| Additions             | -                          | 459                         | 45,596                 | 13,342                                | 59,397     |
| At 31 March 2022      | 5,583,989                  | 222,551                     | 82,396                 | 410,691                               | 6,299,627  |
| <b>Depreciation</b>   |                            |                             |                        |                                       |            |
| At 1 April 2021       | 3,252,584                  | 197,471                     | 36,800                 | 369,216                               | 3,856,071  |
| Charge for the year   | 67,966                     | 3,269                       | 6,715                  | 12,686                                | 90,636     |
| At 31 March 2022      | 3,320,550                  | 200,740                     | 43,515                 | 381,902                               | 3,946,707  |
| <b>Net book value</b> |                            |                             |                        |                                       |            |
| At 31 March 2022      | 2,263,439                  | 21,811                      | 38,881                 | 28,789                                | 2,352,920  |
| At 31 March 2021      | 2,331,405                  | 24,621                      | -                      | 28,133                                | 2,384,159  |

Included within the net book value of land and buildings above is £1,503,486 (2021 - £1,552,469) in respect of freehold land and buildings and £759,953 (2021 - £778,936) in respect of leaseholds.

#### Charity

|                       | Land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Other<br>tangible fixed<br>asset<br>£ | Total<br>£ |
|-----------------------|----------------------------|-----------------------------|------------------------|---------------------------------------|------------|
| <b>Cost</b>           |                            |                             |                        |                                       |            |
| At 1 April 2021       | 5,583,989                  | 205,187                     | 36,800                 | 376,698                               | 6,202,674  |
| Additions             | -                          | 459                         | 45,596                 | 10,482                                | 56,537     |
| At 31 March 2022      | 5,583,989                  | 205,646                     | 82,396                 | 387,180                               | 6,259,211  |
| <b>Depreciation</b>   |                            |                             |                        |                                       |            |
| At 1 April 2021       | 3,252,584                  | 180,566                     | 36,800                 | 353,815                               | 3,823,765  |
| Charge for the year   | 67,966                     | 3,269                       | 6,715                  | 8,603                                 | 86,553     |
| At 31 March 2022      | 3,320,550                  | 183,835                     | 43,515                 | 362,418                               | 3,910,318  |
| <b>Net book value</b> |                            |                             |                        |                                       |            |
| At 31 March 2022      | 2,263,439                  | 21,811                      | 38,881                 | 24,762                                | 2,348,893  |
| At 31 March 2021      | 2,331,405                  | 24,621                      | -                      | 22,883                                | 2,378,909  |

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

Included within the net book value of land and buildings above is £1,503,486 (2021 - £1,552,469) in respect of freehold land and buildings and £759,953 (2021 - £778,936) in respect of leaseholds.

The Charitable Company has two commercial property partnerships that contribute to the fixed assets of the Charitable Company, below is an overview of the partnerships.

One Trinity Green (OTG) - The Charitable Company, in partnership with South Tyneside Council and with ERDF funding support, constructed OTG in 2012 to support the regeneration of the Laygate area of South Shields. The Charitable Company has a 25% share in OTG that equates to £786,756 of Land and Buildings within the financial statements; and

The Beacon - The Charitable Company, in partnership with Centre West Charitable Trust and with ERDF funding support, constructed The Beacon Community Enterprise Hub in 2011/12. The 125 year collaboration aims to assist in the regeneration of the West End of Newcastle. The Charitable Company has a 42.39% share in The Beacon that equates to £759,952 of Land and Buildings within the financial statements.

#### 16 Fixed asset investments

##### Group

|                                                          | 2022<br>£ | 2021<br>£ |
|----------------------------------------------------------|-----------|-----------|
| Shares in group undertakings and participating interests | -         | -         |

##### Charity

|                                                          | 2022<br>£ | 2021<br>£ |
|----------------------------------------------------------|-----------|-----------|
| Shares in group undertakings and participating interests | 3         | 3         |

#### Shares in group undertakings and participating interests

|                       | Subsidiary<br>undertakings<br>£ | Total<br>£ |
|-----------------------|---------------------------------|------------|
| <b>Cost</b>           |                                 |            |
| At 1 April 2021       | 3                               | 3          |
| At 31 March 2022      | 3                               | 3          |
| <b>Net book value</b> |                                 |            |
| At 31 March 2022      | 3                               | 3          |
| At 31 March 2021      | 3                               | 3          |

#### Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

# Groundwork South and North Tyneside Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

| Undertaking                                     | Country of incorporation | Holding     | Proportion of voting rights and shares held |      |
|-------------------------------------------------|--------------------------|-------------|---------------------------------------------|------|
|                                                 |                          |             | 2022                                        | 2021 |
| Subsidiary undertakings                         |                          |             |                                             |      |
| Windmill Sustainable Business Solutions Limited | England and Wales        | Equity      | 100%                                        | 100% |
| Ten North East Limited                          | England and Wales        | Sole Member | 100%                                        | 100% |

### Subsidiaries

The surplus for the financial period of Windmill Sustainable Business Solutions Limited was £5,614 (2021 - £1,154) and the aggregate amount of capital and reserves at the end of the period was £8,107 (2021 - £2,493).

The surplus for the financial period of Ten North East Limited was £5,966 (2021 - (£5,367)) and the aggregate amount of capital and reserves at the end of the period was £59,814 (2021 - £53,848).

# Groundwork South and North Tyneside Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 17 Stock

|                  | Group        |              | Charity  |          |
|------------------|--------------|--------------|----------|----------|
|                  | 2022         | 2021         | 2022     | 2021     |
|                  | £            | £            | £        | £        |
| Work in progress | <u>4,160</u> | <u>1,323</u> | <u>-</u> | <u>-</u> |

### 18 Debtors

|                             | Group          |                | Charity        |                |
|-----------------------------|----------------|----------------|----------------|----------------|
|                             | 2022           | 2021           | 2022           | 2021           |
|                             | £              | £              | £              | £              |
| Trade debtors               | 377,482        | 171,441        | 352,055        | 167,171        |
| Due from group undertakings | -              | -              | 20,330         | 58,399         |
| Prepayments                 | 11,964         | 31,793         | 9,068          | 21,796         |
| Accrued income              | 146,633        | 157,380        | 146,633        | 157,380        |
| Other debtors               | <u>140,815</u> | <u>169,819</u> | <u>133,223</u> | <u>168,732</u> |
|                             | <u>676,894</u> | <u>530,433</u> | <u>661,309</u> | <u>573,478</u> |

### 19 Cash and cash equivalents

|              | Group          |                | Charity        |                |
|--------------|----------------|----------------|----------------|----------------|
|              | 2022           | 2021           | 2022           | 2021           |
|              | £              | £              | £              | £              |
| Cash at bank | <u>434,362</u> | <u>498,879</u> | <u>376,101</u> | <u>395,867</u> |

### 20 Creditors: amounts falling due within one year

|                                    | Group          |                | Charity        |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | 2022           | 2021           | 2022           | 2021           |
|                                    | £              | £              | £              | £              |
| Bank loans                         | 9,451          | 7,500          | 9,451          | 7,500          |
| Trade creditors                    | 180,770        | 155,634        | 167,586        | 153,634        |
| Due to group undertakings          | -              | -              | 15,312         | 16,485         |
| Other taxation and social security | 13,603         | 13,456         | 13,603         | 11,362         |
| VAT                                | 20,676         | -              | 20,676         | -              |
| Other creditors                    | 17,022         | 11,494         | 16,641         | 11,090         |
| Accruals and deferred income       | <u>310,653</u> | <u>259,964</u> | <u>294,794</u> | <u>237,778</u> |
|                                    | <u>552,175</u> | <u>448,048</u> | <u>538,063</u> | <u>437,849</u> |

# Groundwork South and North Tyneside Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 21 Creditors: amounts falling due after one year

|            | Group         |               | Charity       |               |
|------------|---------------|---------------|---------------|---------------|
|            | 2022          | 2021          | 2022          | 2021          |
|            | £             | £             | £             | £             |
| Bank loans | <u>33,049</u> | <u>42,500</u> | <u>33,049</u> | <u>42,500</u> |

The loan detailed above is a Bounce Back Loan that was obtained in July 2020. The loan period was agreed as six years with an interest rate of 2.5% above Bank of England base rate. The loan will be fully repaid in July 2026. No security was provided against the loan.

### 22 Pension and other schemes

#### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £58,618 (2021 - £57,373).

Contributions totalling £8,910 (2021 - £6,767) were payable to the scheme at the end of the year and are included in creditors.

# Groundwork South and North Tyneside Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 23 Funds

#### Group

|                               | Balance at<br>1 April<br>2021<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£ | Balance at<br>31 March<br>2022<br>£ |
|-------------------------------|------------------------------------|----------------------------|----------------------------|----------------|-------------------------------------|
| <b>Unrestricted funds</b>     |                                    |                            |                            |                |                                     |
| <b>General</b>                |                                    |                            |                            |                |                                     |
| General funds                 | 2,726,031                          | 916,795                    | (906,302)                  | (11,344)       | 2,725,180                           |
| <b>Restricted funds</b>       |                                    |                            |                            |                |                                     |
| Employment                    | -                                  | 489,420                    | (484,196)                  | (5,224)        | -                                   |
| Education                     | -                                  | 47,274                     | (53,238)                   | 5,964          | -                                   |
| Communities                   | 166,298                            | 352,908                    | (396,164)                  | 4,856          | 127,898                             |
| Land                          | -                                  | 20,947                     | (24,750)                   | 3,803          | -                                   |
| Ten North East Activities     | 31,917                             | 182,024                    | (185,852)                  | 1,945          | 30,034                              |
| <b>Total restricted funds</b> | <u>198,215</u>                     | <u>1,092,573</u>           | <u>(1,144,200)</u>         | <u>11,344</u>  | <u>157,932</u>                      |
| <b>Total funds</b>            | <u>2,924,246</u>                   | <u>2,009,368</u>           | <u>(2,050,502)</u>         | <u>-</u>       | <u>2,883,112</u>                    |
|                               | Balance at<br>1 April<br>2020<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£ | Balance at<br>31 March<br>2021<br>£ |
| <b>Unrestricted funds</b>     |                                    |                            |                            |                |                                     |
| <b>General</b>                |                                    |                            |                            |                |                                     |
| General funds                 | 2,560,399                          | 1,131,708                  | (817,756)                  | (148,320)      | 2,726,031                           |
| <b>Restricted funds</b>       |                                    |                            |                            |                |                                     |
| Employment                    | -                                  | 251,000                    | (296,935)                  | 45,935         | -                                   |
| Business                      | -                                  | 76                         | (112)                      | 36             | -                                   |
| Education                     | 4,902                              | 44,433                     | (52,343)                   | 3,008          | -                                   |
| Communities                   | 227,500                            | 260,571                    | (416,579)                  | 94,806         | 166,298                             |
| Land                          | -                                  | 36,783                     | (41,318)                   | 4,535          | -                                   |
| Ten North East Activities     | 18,254                             | 227,101                    | (213,438)                  | -              | 31,917                              |
| <b>Total restricted funds</b> | <u>250,656</u>                     | <u>819,964</u>             | <u>(1,020,725)</u>         | <u>148,320</u> | <u>198,215</u>                      |
| <b>Total funds</b>            | <u>2,811,055</u>                   | <u>1,951,672</u>           | <u>(1,838,481)</u>         | <u>-</u>       | <u>2,924,246</u>                    |

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

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

Ten North East activities comprise fourteen funds with the aims of supporting Long Term Unemployed and Supporting Young People. Further information on those funds is available within the financial statements of TEN.

Other restricted funds represent project fund income which has been received to enable specific projects to be undertaken in the year.

#### 24 Analysis of net assets between funds

##### Group

|                                  | <b>Unrestricted<br/>General<br/>£</b> | <b>Restricted<br/>£</b> | <b>Total funds<br/>£</b> |
|----------------------------------|---------------------------------------|-------------------------|--------------------------|
| Tangible fixed assets            | 2,352,920                             | -                       | 2,352,920                |
| Net current assets/(liabilities) | 405,309                               | 157,932                 | 563,241                  |
| Creditors over 1 year            | (33,049)                              | -                       | (33,049)                 |
| <b>Total net assets</b>          | <b>2,725,180</b>                      | <b>157,932</b>          | <b>2,883,112</b>         |

|                                  | <b>Unrestricted<br/>General<br/>£</b> | <b>Restricted<br/>£</b> | <b>Total funds<br/>at 31 March<br/>2021<br/>£</b> |
|----------------------------------|---------------------------------------|-------------------------|---------------------------------------------------|
| Tangible fixed assets            | 2,384,159                             | -                       | 2,384,159                                         |
| Net current assets/(liabilities) | 384,372                               | 198,215                 | 582,587                                           |
| Creditors over 1 year            | (42,500)                              | -                       | (42,500)                                          |
| <b>Total net assets</b>          | <b>2,726,031</b>                      | <b>198,215</b>          | <b>2,924,246</b>                                  |

#### 25 Analysis of net funds

##### Group

|                                   | <b>At 1 April<br/>2021<br/>£</b> | <b>Financing<br/>cash flows<br/>£</b> | <b>At 31 March<br/>2022<br/>£</b> |
|-----------------------------------|----------------------------------|---------------------------------------|-----------------------------------|
| Cash at bank and in hand          | 498,879                          | (64,517)                              | 434,362                           |
| Debt due within one year          | (7,500)                          | (1,951)                               | (9,451)                           |
| Debt due after more than one year | (42,500)                         | 9,451                                 | (33,049)                          |
| <b>Net funds</b>                  | <b>448,879</b>                   | <b>(57,017)</b>                       | <b>391,862</b>                    |

## Groundwork South and North Tyneside Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

|                                   | At 1 April<br>2020<br>£ | Financing<br>cash flows<br>£ | At 31 March<br>2021<br>£ |
|-----------------------------------|-------------------------|------------------------------|--------------------------|
| Cash at bank and in hand          | 164,278                 | 334,601                      | 498,879                  |
| Debt due within one year          | -                       | (7,500)                      | (7,500)                  |
| Debt due after more than one year | -                       | (42,500)                     | (42,500)                 |
| Net funds                         | <u>164,278</u>          | <u>284,601</u>               | <u>448,879</u>           |

#### 26 Related party transactions

##### Group

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

##### Groundwork North East

(Common Trustees)

D Pearce and A Thurston, trustees of the charitable company are also trustees of Groundwork North East. During the year ended 31 March 2022 the company procured goods and services from Groundwork North East amounting to £35,795 (2021: £17,495) and made sales to Groundwork North East amounting to £59,123 (2021: £8,918). At the balance sheet date the amount due to/from to Groundwork North East was £Nil (2021 - £13,916).

#### 27 Collaborations

As explained in note 15 of the financial statements, Groundwork has two long-term legally binding collaborations, below is an overview of the collaboration.

One Trinity Green (OTG) - The Charitable Company has a long-term collaboration with South Tyneside Council in the development and management of OTG Business Centre. The collaboration is to support the regeneration of the Laygate area of South Shields and development of a Business incubator that supports new and emerging business leading to business growth and employment opportunities. Through the collaboration, the Charitable Company has a 25% share in OTG.

The Beacon - The Charitable Company has a 125 year collaboration with Centre West Charitable Trust in the development and management of the Beacon Community Enterprise Hub. The collaboration is to support the regeneration of the West End of Newcastle as well as furthering the aims of the two charitable companies. The ethos of the centre is to provide affordable flexible office spaces and artisan workshops to local new and emerging businesses that support the partners' charitable aims. The Charitable Company has nominated two representatives onto The Beacon Partnership Board.

Through the collaboration, the Charitable Company has a 42.39% share in The Beacon. In accordance with Financial Reporting Statement 9 - Accounting for associates, joint ventures and joint arrangements, these financial statements recognise only Groundwork South and North Tyneside's share of the income, expenditure, asset and liabilities of the collaboration project for The Beacon Partnership.

**Groundwork South and North Tyneside Limited**

England & Wales - Charity number 1007918

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# Accounts

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**Registered number: 02592100**  
**Charity number: 1007918**

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
**(A company limited by guarantee)**

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**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2021**

**Trustees**

Mr D L Robson, Chair  
Mr M Charlton, Vice Chair  
Mr M J Cuthbertson, Vice Chair  
Mrs C A Donnelly  
Dr C A Ferguson  
Mr D O'Mahoney  
Mr J D Owen  
Mrs D Pearce  
Cllr J Perry (resigned 25 May 2021)  
Ms A Siddall  
Ms D Turton  
Mr A Whittaker  
Mr S Brand (appointed 19 August 2021)  
Mr A Thurston (appointed 23 September 2021)  
Councillor A Strike (appointed 23 September 2021)

**Company registered number**

02592100

**Charity registered number**

1007918

**Registered office**

The Eco Centre  
Windmill Way  
Hebburn  
Tyne and Wear  
NE31 1SR

**Company secretary**

Mr D L Robson

**Chief executive officer**

Mr A Watts

**Independent auditors**

Ryecroft Glenton  
Chartered Accountants & Statutory Auditor  
32 Portland Terrace  
Newcastle upon Tyne  
NE2 1QP

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**

**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
(CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

**Bankers**

Royal Bank of Scotland  
31 Grey Street  
Newcastle upon Tyne  
NE1 6ES

**Solicitors**

PGS Law  
10 Coronation Street  
South Shields  
Tyne and Wear  
NE33 1AZ

## **GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**

**(A company limited by guarantee)**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

The Trustees present their annual report together with the audited financial statements of the Group and the Charitable Company, Groundwork South and North Tyneside Limited (the Charitable Company and the Group) for the year 1 April 2020 to 31 March 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the Company qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

### **INTRODUCTION**

The following information about the financial year 2020/21 is presented in the format required by The Charity Commission.

Groundwork's vision is of a society made up of sustainable communities which are vibrant, healthy and safe, which value the local and global environment and where individuals and enterprise prosper.

Groundwork's purpose is to build sustainable communities through joint action.

The consolidated accounts incorporate both Windmill and TEN as both are now wholly owned by the Groundwork Trust. Groundwork has delivered services through Windmill for a number of years as these further our charitable objects. In addition, we integrated TEN into the Groundwork family in 2018 to enable us to further deliver our charitable objects around Supporting Long Term Unemployed and Supporting Young People. The integration has been a huge success for both parties and we continue to investigate new opportunities around the group structure.

### **Objectives and activities**

#### **● Policies and objectives**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The governing objects of the Charitable Company are:

1. To promote the conservation, protection and improvement of the physical and natural environment anywhere within the local Government boundaries of the Metropolitan Boroughs of South Tyneside and North Tyneside.
2. 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 in the Metropolitan Boroughs of South Tyneside and North Tyneside.
3. To advance public education in environmental matters and of the ways of better conserving, protecting and improving the same where so ever.
- 4 To promote for the public benefit, urban or rural regeneration in areas of social and economic deprivation within the Metropolitan Boroughs of South Tyneside and North Tyneside by all or any of the following means:
  - (a) The relief of poverty in such ways as may be thought fit;
  - (b) The relief of unemployment in such ways as may be thought fit including assistance to find employment;

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**

**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

**Objectives and activities (continued)**

(c) Such other means which may from time to time be determined subject to the prior written consent of the Charity Commissioners for England and Wales.

5. To provide facilities in the interests of social welfare for recreational, cultural and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting in the Metropolitan Boroughs of South Tyneside and North Tyneside through:

(a) The operation of leisure, cultural and heritage sites, venues or projects;

(b) Holding or owning a historic or cultural collection;

6. To promote sustainable development for the benefit of the public by:

(a) preservation, conservation and the protection of the environment and the prudent use of resources,

(b) the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities;

(c) the promotion of sustainable means of achieving economic and social growth and regeneration.

7. To advance the education of the public in subject 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.

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

9. To promote the efficiencies and the effectiveness of the Voluntary Sector for the benefit of the public by the provision of information, support and advice to local community groups.

**• Activities undertaken to achieve objectives**

To achieve the above objects, the Charitable Company uses the following six major areas of work to maximise the impact to the communities it serves:

Working with communities to build stronger neighbourhoods.

Working to realise the potential of young people.

Through education, promoting learning, citizenship and sustainability.

Working to reconnect people with places.

Working to provide training for employment and stimulating enterprise.

Working to help businesses succeed.

In addition to the above Groundwork delivers three cross cutting themes:

We promote health and well-being by providing the facilities and support to help people become more physically active and make healthier lifestyle choices.

We work closely with housing organisations to plan neighbourhood wide improvements, raise the quality of the housing stock and engage communities to promote greater cohesion.

We promote sustainability and combating climate change by encouraging adults and children to change their behaviour.

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Objectives and activities (continued)**

● **Volunteers**

A continued support mechanism to the Charitable Company are volunteers both corporate and local community who provide invaluable support to local projects and supporting local communities. Over the past few years, the Charitable Company has developed its corporate volunteering model with the support of SAGE, during 2020/21 and the impact of Covid-19, this engagement was undertaken on-line with eco challenges and staff engagement, it's hoped that face to face volunteering will recommence in late 2021.

The Charitable Company has a core of project volunteers who provide support and dedication on a weekly basis to support community projects or local sites such as Jarrow Hall and West Boldon Lodge. Last year, again due the impact of Covid-19, the volunteering opportunities were reduced, however, thanks to the dedication of our volunteers and additional controls they provided over 7500 volunteering hours to support our vision of changing places, changing lives which equates in total to over £45k in volunteer time.

**Achievements and performance**

● **Key performance indicators**

The Charitable Trust ensures that it manages the challenging operating environment due to the current economic climate; the Trust continues to split the annual Key Performance Indicator's (KPIs) into three business priority areas, finance, development and quality which form the basis of sub committees' of the main Board. The priority areas will form the basis for our business model for the forthcoming year.

**Resources Committee**

This priority will concentrate on financial and business management through short term performance management, cost efficiencies and maintaining quality standards to ensure that we deliver quality services within budget and timescales.

Through the performance management framework, the Trust will review the following areas on a regular basis and implement the necessary action plans.

- Operation Portfolio Updates including performance
- Financial Updates & Management
- Staffing / H&R
- Investment Strategy

**Business Development Committee**

This priority will focus on business development to ensure the Trust maximises business opportunities in-line with our 5 year strategy, whilst responding to emerging markets within the private and public sector. The management team will develop a framework to monitor progress against the below areas:

- 5 Yr Strategy
- Business Planning
- Strategic Relations / Positioning
- Business Development
- Emerging Markets
- Funding Opportunities & Management
- Marketing & Communications.

During the year, the Charitable Company created a joint Strategic Development Committee with our neighbouring Federation Charitable Company, Groundwork North East and Cumbria. The new Committee also includes representatives from TEN North East Charitable Company.

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED****(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021****Achievements and performance (continued)**

This new framework ensures a regional approach to business development, building on knowledge and avoiding duplication.

**Compliance and Quality Committee**

This priority will focus on the development of our quality and standards to enhance our quality delivery and ensure compliance with quality standards / accreditations. The management team review performance against the below areas:

- Health & Safety
- Safeguarding
- ISO 14001
- GDPR / ICT
- Equality & Diversity
- Investors in People
- Matrix.

During the year, the Charitable Company created a joint Compliance Development Committee with our neighbouring Federation Charitable Company, Groundwork North East and Cumbria. The new Committee also includes representatives from TEN North East Charitable Company.

This new framework ensures a regional approach to compliance, building on expertise and avoiding duplication.

**Route 2 Work Governors**

To oversee the quality, compliance and learning standards at our Route 2 Work College, the Charitable Company has established a new Governors Committee. The role of the committee is to support and challenges the quality of the outcomes, achievements, personal development and quality improvement plan. The Committee provide the full Board with a quarterly update on progress.

**Jarrow Hall Managing Committee**

To oversee the implementation and monitoring of the Masterplan, the Charitable Company has created a Jarrow Hall Managing Committee. The role of the committee is to support the outcomes and actions of the Masterplan whilst overseeing the collection management of the Bede Museum. The Committee provide the full Board with a regular progress report.

**• Review of activities****Operational Performance**

In 2020/21 the Charitable Company was significantly impacted by the Covid-19 restrictions but through the support of funders, Government support packages and the commitment of the team, the financial performance in 2020/21 was very stable. Through the support mechanism put in place by Government, Funders and Partners, the Charitable Company was able to access significant new funds to support our work within our communities which were needed more than ever.

Where services were unable to be delivered, the Charitable Company was able to utilise the furlough scheme to support those staff, as of the 1st April, the Charitable Company had very few staff being supported by the furlough scheme.

Despite, the impact and challenges of Covid-19, the Charitable Company integrated a number of new operating systems and controls that enable our projects and services to operate in a very controlled and safe environment. Through these controls and public re-assurance, our income during the lockdown was in-line with business plan targets.

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED****(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021****Achievements and performance (continued)**

To support staff and our projects during 2020/21, the Charitable Company has made significant improvements and operating changes to enable the management of an ever changing activity portfolio effectively and further work has been undertaken on operating systems in 2020 to maximise the benefits of agile working.

During the year, the Charitable Company major partnership assets at One Trinity Green and The Beacon continued to increase occupancy and directly support the charitable aims through business support, training and enterprise. The Charitable Company's traditional operations remain stable with growth within the majority of the portfolios which has allowed the Charitable Company to manage the financial changes as mentioned within the report.

The Charitable Company secured and received a variety of grants including:

- National Lottery Fund Grant received from the Local Trust for the development of the Central Jarrow Big Local initiative (£149,968 Restricted Funds)
- National Lottery Fund Grant received from the Local Trust Gardening and Landscaping for Central Jarrow Big Local (£15,000 Restricted Funds)
- Jarrow Hall – Final phase of the 'A Sun Project', Museum Collection Fund via Esmee Fairbairn Foundation, this funding was released under FRS102 in 2017/18.
- Green Space Forum – National Lottery Community Fund Grant to support community groups within parks (£13,770 released in 2020/21)
- National Lottery Community Fund ongoing delivery of Marsden Says to support the development of community programmes and resilience at Marsden Road Centre, total grants received of £192,862, this was released under FRS102 in 2019/20 with £26,564 spent 2020/21.
- Jarrow Hall – Donations were received from public giving totalling £8,461 and gift aid of £2,384 to support the ongoing museum development.
- Community Foundation #IWill to support youth social action in South Tyneside Green Space (£506 released in 2020/21)
- Museum Development North East for curatorial and digital equipment at Jarrow Hall (£1,488 released in 2020/21)
- Energy Redress and Barclays 100\*100 in partnership with Groundwork Yorkshire for fuel vouchers to support people living in poverty and the development of the Green Doctor Service (£10,200 released in 2020/21)
- National Lottery Heritage Fund / Green Recovery Challenge Fund in partnership with Groundwork UK (£38,744 released in 2021)
- Route2Work small grants to contribute towards enrichment activity Key Fund and Moving Forward Winter Celebrations Fund £1000
- Arts Council England – Cultural Recovery Fund to support Emergency Covid Response activity at Jarrow Hall £72,680
- Sage Foundation to support Jarrow Hall site development and corporate volunteering opportunities £7,000 was received but not released.
- National Lottery Community Fund Emergency Covid Response funds to support activities and adaptation for West Boldon Lodge £43,736
- Tesco Covid Emergency Grant to support activity packs for families in poverty £1,000
- Heritage Emergency Fund - National Lottery Heritage Fund – Emergency Covid Response funding to support Jarrow Hall - £42,900
- Children in Need Small Grant to support Forest Playschool at West Boldon Lodge £27,295 secured for delivery over 3 years of which £2,148 released in 2020/21.
- Community Foundation Daisy Marr to support enrichment out of college activity for Route2Work learners £5000.
- Covid-19 Business Support Grant via South Tyneside Council £55,000 to provide emergency support at Jarrow Hall, Marsden Road Centre and GW Shop.

In addition, the Charitable Company continued to deliver a number of service contracts including the Big Local for Central Jarrow. The service contracts allowed the Charitable Company to deliver quality outcomes through inspiring people and creating greener spaces for people to live, work and play.

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Achievements and performance (continued)**

To deliver our objects and aims of TEN, the charity has delivered services and support under the following programmes during the 2020/21 financial year: · Building Better Opportunities in partnership with the Wise Group · Young Carers through external funding from Children in Need, National Lottery, Community Foundation, Police and Crime Commissioner, Tesco – Carrier for Causes, Awards for All, Mind, Rise and local donations.

The Charitable Company would also like to thank the South Tyneside Young Carers CIC for their support during the year, their fundraising has supported enrichment and respite activities for our young carers.

**Contribution to Local Communities**

Set out below are some of the ways in which our activities have helped the communities we serve:

**Creating Better Places**

It has been proven beyond doubt that having access to good quality green space – a local park, allotment or play area – improves our health and wellbeing and supports children's educational and social development. The projects we deliver provide a meaningful opportunity for us to work with local communities to have a say around the quality of their local environment and support practical activities that create enhanced green spaces for people to live, work and play.

Last year, Groundwork: -

- Supported over 7500 hours of community volunteering hours.
- Improved or maintained over 1.75sq million metres of land.
- Supported 118 community groups to carry out local projects.

**Improving People's Prospects**

We believe that a person's background or circumstances should not hinder their future prospects and we are committed to ensuring that those we support receive the help they need to realise their true potential. A unique approach is designed to benefit both individuals, the local environment and neighbourhoods. We provide opportunities for people to further their education, training and employment prospects by providing grass root solutions.

Last year, Groundwork: -

- Supported school children with environmental education to over 55 schools despite on-line learning.
- Helped Learners of all ages secure over 80 qualifications.
- Helped 24 specialist needs learners with education and training

**In addition, TEN delivered a wide range of young and employment outcomes, please refer to TEN website for details.**

**Promoting Greener Living and Working.**

Building sustainable communities involves changing behaviours, through our project we have helped individuals, households and whole organisations think and act differently to conserve natural resources as well as providing practical solutions to help reduce household bills and improve health and wellbeing.

Last year, Groundwork provided: -

- Diverted over 120 tonnes of waste from landfill.
- Supported 245 local businesses.

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Achievements and performance (continued)**

- Support the most vulnerable through wellbeing calls, and recommenced health programme as restrictions were lifted.

**External Challenging Factors Relevant to Achieve Objectives**

During the financial year, the main significant external factors that have challenged the Charitable Company during this period was the Covid-19 pandemic, as mentioned above this had a significant impact on operations and staff during the year.

The continued reduction of public sector funding has had an effect on grants provided to the charitable sector. This alongside increased demand on grant funding bodies has resulted in fewer grant applications being funded and therefore the Charitable Company continues to look at self-financing models and the introduction of financial contribution to selected community based services.

In addition to the above challenges, the economic climate has reduced the number of job opportunities for the beneficiaries completing our Employment & Skills programmes which has led to a smaller number than anticipated entering the field of employment. We continue to work with partners to look at new opportunities of embedding further support mechanisms into our employment programmes to provide the best possible support packages to individuals to prepare them for the labour market.

**Asset Management**

The Charitable Company undertook a detailed asset review of all freehold and leasehold assets held within the fixed assets.

The Trustees remain aware that efforts will continue to be required to cut fixed asset costs and asset reduce overheads and to benefit from economies of scale through potential further development opportunities within the trading subsidiary. The Charitable Company will also continue developing its service delivery utilising our community based assets as service hubs.

**• Fundraising activities and income generation**

The Charitable Company undertook a small number of local fundraising activities during the year, these fundraising activities were undertaken directly by Groundwork staff with the aim of raising funds for bespoke work within our local projects such as Jarrow Hall and West Boldon Lodge, all of the fundraising was undertaken in-accordance to the regulations and advice was sort from local authority partners. During this period, the Charitable Company received no complaints relating to fundraising and all activities were community based fundraising with no door-knocking or unreasonable approaches to local community. The Charitable Company has established a fundraising single central register to monitor local fundraising activities.

**• Investment policy and performance**

The Trustees have the power to invest in such assets as they see fit.

The Charitable Company may need to react quickly to particular needs and therefore has a policy of keeping surplus liquid funds in short term deposits which can be readily accessed.

The Board undertake an annual review of the investment strategy / policy to ensure that funds are utilised and provide the most beneficial return to the Charitable Company, this annual review also informs the reserves policy.

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED****(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021****Financial review****• Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. The Charitable Company has accessed a number of grants throughout the year to support its charitable activities as well as accessing government support such as Furlough. The Charitable Company has been able to respond to the challenges of Covid 19 during the year and into 2021 with the majority of charitable activities recommencing in early 2021 leading to a stable operating model and financial performance despite the challenges of Covid-19. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**• Reserves policy**

The Trustees have reviewed the Charitable Company's reserves requirement in accordance with the guidelines issued by the Charity Commission for England and Wales.

In formulating the policy, the Trustees have taken into account the Charitable Company's expenditure commitments and the sources, reliability and timing of its income flows. In addition, future needs, opportunities, contingencies and risks have been analysed and assessed.

The Trustees agree on an annual basis the agreed working capital requirement for the Charitable Company that enables the organisation to operate in-line with the reserves policy and guidelines.

**• Principal risks and uncertainties**

The Charitable Company produces an annual Risk Register that sets out the principle risks to the organisation and the necessary contract required to manage such risks. The risk registered is managed by the Executive Team with an annual report presented to the Board.

The main risks to the Charitable Company are relationship management of key stakeholder, effective management of health & safety, continued reduction in government funding and management of higher risk activities. Below is a summary of the main areas of risk, for which we have the necessary strategies / risk management plans in place:

- Failure to secure management of new programmes, threatening the long-term viability of the organisation.
- An unexpected withdrawal of funding from a major partner.
- A major personal incident health & safety or safeguarding occurring on local projects.
- Non-compliance to data security, health & safety and environmental regulations.
- Ongoing change management within the Groundwork Federation impacting on the Federation's ability to delivery national programmes.

**• Financial risk management objectives and policies**

The Charitable Company as part of its annual Business Plan sets out a number of Financial Objectives that are overseen by Resources Committee. These objectives relate to the level of working capital, total funds available, management of higher risk activities and investments. The committee measure performance against these objectives on a quarterly basis with a report presented to the Board of Trustees.

## **GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**

**(A company limited by guarantee)**

### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

#### **• Overview**

The Charitable Group's turnover was £1,844,334 with an additional income via Beacon Partnership of £107,338 giving a total income of £1,951,672 compared to £2,148,934 last year.

The Group's net movement in funds was £113,193.

The Group's figures incorporate the results of the Charitable Company's subsidiary undertakings, Windmill Sustainable Business Solutions Limited and Ten North East Limited. Windmill made a pre tax profit of £1,154 (2020 loss of £2,059) and Ten North East Limited a deficit of £5,367 (2020: deficit of £8,350).

During the financial year the Charitable Company secured contracts, service level agreements and grant funding from many organisations including Newcastle City Council, South Tyneside Metropolitan Borough Council, South Tyneside Public Health, National Lottery Community Fund, Big Local, South Tyneside College, Land Trust, Ward Improvement Fund, National Grid, South Tyneside Homes, Sir James Knott Trust, Barbour Foundation, Ballinger Trust, Tesco, Agility Eco, Freemasons, Community Foundation, LGA Foundation, Museum Development North East, Banks Group and Hadrian Trust.

The Charitable Company wishes to thank the partnership organisations that have supported the Company over the past year.

During the year, the Charitable Company released £204,000, as shown in note 8. This fund is an exceptional release of funds relating to a historical funding agreement with South Tyneside Council which both parties have agreed to front-load to one-off lump sum due to the level of administration required on the historical agreement.

At the end of the year the Charitable Group's total funds were £2,924,246 (2020: £2,811,053) comprising restricted funds of £198,215 (2020: £250,656) and unrestricted funds of £2,726,031 (2020: £2,560,397).

Held as part of the reserves are Freehold and Leasehold properties valued as fixed assets at £2,331,405. There are no designated or otherwise committed funds. The reserves, after allowing for the above properties and other tangible assets required to operate the Charitable Company was £341,873 (2020: £89,674).

#### **Structure, governance and management**

##### **• Constitution**

The Charitable Company is a charitable company limited by guarantee and was set up by a Memorandum of Association on 15 March 1991. There are three Company Members each of whom have undertaken to contribute an amount not exceeding £1 in the event of winding up. The Members are:

The Federation of Groundwork Trusts  
South Tyneside Metropolitan Borough Council  
North East Chamber of Commerce.

The group accounts include both Windmill Sustainable Business Solutions Limited and Ten North East Limited who are wholly owned by Groundwork.

The Charitable Company is constituted under a Memorandum of Association dated 15 March 1991 and is a registered charity number 1007918. The principal object of the Charitable Company is to build sustainable communities through joint action. The Charitable Company's memorandum and articles of association were amended in June 2017 to include cultural and heritage activities.

## GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED

(A company limited by guarantee)

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

#### Structure, governance and management (continued)

##### • Methods of appointment or election of Trustees

The Charitable Company and Group is governed by a Board of Trustees comprising of both co-opted and nominated individuals / representatives who are elected and re-elected on a 3 year term under the terms of the Articles of Association.

Any nominated co-opted Trustee must be endorsed by the Board of Trustees before being appointed.

##### • Organisational structure and decision-making policies

Groundwork South and North Tyneside is one of a national network of eighteen independent Charitable Trusts, and is part of the Groundwork Federation.

The Groundwork Federation is a national regeneration organisation working with partners to improve the quality of the local environment, the lives of local people and the success of local businesses in those areas in need of investment and support. The Federations support the independent charitable trusts with external funding, development of national programmes, business development, national campaigns and distribution of national policies.

##### • Policies adopted for the induction and training of Trustees

The Charitable Company and Group has a procedure for the induction of new Trustees to ensure that all necessary information and governance procedures are fully understood. The induction also includes tours of the organisations assets and projects to obtain first-hand experience of the range of services.

##### • Pay policy for key management personnel

The Resource Committee of the Board are responsible for the setting remuneration for the organisations staff including the Executive Team. The organisation has a robust annual appraisal process that monitors past performance and sets the forthcoming year's key performance indicators and contribution to the Business Plan.

##### • Financial risk management

The Trustees have examined the major strategic, business and operational risks which the Group and Charity face and confirm that systems have been established to enable regular reports to be produced so that steps can be taken to lessen these risks. These risks are linked to the above principal risks and uncertainties.

#### Plans for future periods

The Charitable Company in 2020 adopted the Groundwork Federation strategy that sets out its plans and vision for the future of the Charitable Company, below is a summary of the strategy:

Over the next few years, we will continue to provide services that enable us to deliver our vision of 'Changing Places and Changing Lives'. We will do this by embedding innovation and sustainability in all we do, maximising impact and outcomes.

Groundwork is a federation of charities mobilising practical community action on poverty and the environment across the UK. 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.
- No-one is held back by their background or circumstances.

## **GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**

**(A company limited by guarantee)**

### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

#### **Plans for future periods (continued)**

We believe that working with local communities to build their resilience is vital in facing up to the challenges of a globalised economy and a changing climate.

#### **Why this Matters:**

- 89% of community groups say their work is needed more than ever, but more than half say it has got harder for them to operate in the last ten years.
- 75% of people say they feel unable to influence decisions about what happens in their local area. Nearly half of young people<sup>2</sup> say they feel they do not belong to their neighbourhood.
- 2.69 million people do not live within a ten minute walk of a green space. Those who are at greatest risk of poor physical and mental health are more likely to miss out on the benefits of green space.
- Around half a million young people were 'economically inactive' - not in learning or employment and not looking for work – before Covid-19, a number which has been slowly rising.
- One in ten households in England is experiencing fuel poverty, rising to almost one in five for ethnic minority households.
- 76% of adults say they are concerned about climate change.
- 40% of young people admit to feeling 'overwhelmed' by the climate crisis.
- 90% of SMEs said being sustainable was important for their business but more than half said they were finding it difficult to take action.

#### **Our Impact and Change we deliver:**

Our work supports people facing multiple challenges – living in isolation or with significant health issues, in communities with few facilities, limited employment prospects and vulnerable to extreme weather events.

- We create better places - Making communities greener, safer and healthier by enabling people to work together to bring about change in their local area.
- We improve people's prospects - Increasing the confidence, skills, wellbeing and employability of those struggling in education or out of work.
- We promote greener choices - Helping people and businesses reduce their environmental impact, cut waste, save money and live more healthily

Due to the Covid-19 pandemic, the Charitable Company has accessed a number of external emergency grants during 2020/21 to support the organisation and communities through this difficult time, these funds will be committed in-line with the funding agreements, and the Charitable Company will continue to work with partners and stakeholders to access funds to support local communities. The next two years will continue to be impacted by the pandemic but through the new government programmes such as Green Recovery Fund and Plans for Jobs, the Charitable Company has many opportunities to support the local and national recovery priorities.

To support the plans for the future, a number of KPI's are agreed by the Trustees' of the Charitable Company on an annual basis. The Charitable Company holds an annual Business Development Session where the Trustees and Executive Team review existing strategic direction and activities and set the future direction of the Charitable Company.

The Charitable Company is looking to expand its charitable operations especially with our communities team linked to wider education services and community events. Further, through the integration of TEN North East into Groundwork, the Charitable Company hopes to expand its training & development and young carers services as well as working across the Groundwork Federation especially through the Groundwork in the North to develop enhanced collaboration and business development.

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED****(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021****Members' liability**

The Trustees of the Charitable Company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

**Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . 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 Group and the Company and of their incoming resources and application of resources, including their income and expenditure, 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 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

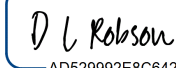
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

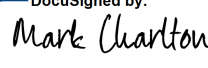
- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

**Auditors**

The auditor, Ryecroft Glenton, has indicated his willingness to continue in office. The designated Trustees will propose a motion to be given powers at the meeting to appoint the auditors for the coming year.

Approved by order of the members of the board of Trustees on 30 November 2021 and signed on their behalf by:

DocuSigned by:  
  
 AD529992E8C642D...  
**Mr D L Robson**

DocuSigned by:  
  
 02B1244BAD41449...  
**Mr M Charlton**

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROUNDWORK SOUTH AND NORTH  
TYNESIDE LIMITED**

**Opinion**

We have audited the financial statements of Groundwork South and North Tyneside Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, 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 Group's and of the parent charitable company's affairs as at 31 March 2021 and of the Group's 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 and the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company'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.

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED****(A company limited by guarantee)****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED (CONTINUED)****Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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.

**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 Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

## **GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**

**(A company limited by guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED (CONTINUED)**

#### **Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes 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 Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011 et seq., the Charities (Protection and Social Investment) Act 2016, the Trustees Acts 1925 and 2000 and Charity Commission regulation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured that the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: -

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROUNDWORK SOUTH AND NORTH  
TYNESIDE LIMITED (CONTINUED)**

To address the risk of fraud through management bias and override of controls, we: -

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which include, but are not limited to: -

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

There are inherent limitations in our anticipated audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

### **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, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
BE1AD9174D594BA...

**Detlev Anderson (Senior statutory auditor)**

for and on behalf of

**Ryecroft Glenton**

Chartered Accountants & Statutory Auditor

32 Portland Terrace

Newcastle upon Tyne

NE2 1QP

30 November 2021

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED****(A company limited by guarantee)****CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2021**

|                                    | <b>Note</b> | <b>Restricted<br/>funds<br/>2021<br/>£</b> | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2020<br/>£</b> |
|------------------------------------|-------------|--------------------------------------------|----------------------------------------------|---------------------------------------|---------------------------------------|
| <b>Income from:</b>                |             |                                            |                                              |                                       |                                       |
| Donations and legacies             | 4           | 3,803                                      | 256,189                                      | 259,992                               | 28,532                                |
| Charitable activities              | 5           | 816,161                                    | 504,445                                      | 1,320,606                             | 1,710,773                             |
| Other trading activities           | 6           | -                                          | 88,341                                       | 88,341                                | 329,382                               |
| Investments                        | 7           | -                                          | 62,276                                       | 62,276                                | 60,009                                |
| Other income                       | 8           | -                                          | 220,457                                      | 220,457                               | 20,238                                |
| <b>Total income</b>                |             | <b>819,964</b>                             | <b>1,131,708</b>                             | <b>1,951,672</b>                      | <b>2,148,934</b>                      |
| <b>Expenditure on:</b>             |             |                                            |                                              |                                       |                                       |
| Raising funds                      |             | -                                          | 123,693                                      | 123,693                               | 264,583                               |
| Charitable activities              | 9           | 1,020,725                                  | 694,063                                      | 1,714,788                             | 1,945,535                             |
| Other expenditure                  |             | -                                          | -                                            | -                                     | 30                                    |
| <b>Total expenditure</b>           |             | <b>1,020,725</b>                           | <b>817,756</b>                               | <b>1,838,481</b>                      | <b>2,210,148</b>                      |
| <b>Net (expenditure)/ income</b>   |             | <b>(200,761)</b>                           | <b>313,952</b>                               | <b>113,191</b>                        | <b>(61,214)</b>                       |
| Transfers between funds            | 20          | 148,320                                    | (148,320)                                    | -                                     | -                                     |
| <b>Net movement in funds</b>       |             | <b>(52,441)</b>                            | <b>165,632</b>                               | <b>113,191</b>                        | <b>(61,214)</b>                       |
| <b>Reconciliation of funds:</b>    |             |                                            |                                              |                                       |                                       |
| Total funds brought forward        |             | 250,656                                    | 2,560,397                                    | 2,811,053                             | 2,872,267                             |
| Net movement in funds              |             | (52,441)                                   | 165,632                                      | 113,191                               | (61,214)                              |
| <b>Total funds carried forward</b> |             | <b>198,215</b>                             | <b>2,726,029</b>                             | <b>2,924,244</b>                      | <b>2,811,053</b>                      |

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

The notes on pages 25 to 53 form part of these financial statements.

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED****(A company limited by guarantee)****REGISTERED NUMBER: 02592100****CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2021**

|                                                         | <b>Note</b> | <b>2021<br/>£</b> | <b>2020<br/>£</b> |
|---------------------------------------------------------|-------------|-------------------|-------------------|
| <b>Fixed assets</b>                                     |             |                   |                   |
| Tangible assets                                         | 14          | <b>2,384,158</b>  | <b>2,470,723</b>  |
|                                                         |             | <b>2,384,158</b>  | <b>2,470,723</b>  |
| <b>Current assets</b>                                   |             |                   |                   |
| Stocks                                                  | 16          | <b>158,703</b>    | <b>141,582</b>    |
| Debtors                                                 | 17          | <b>373,052</b>    | <b>466,375</b>    |
| Cash at bank and in hand                                |             | <b>498,879</b>    | <b>164,278</b>    |
|                                                         |             | <b>1,030,634</b>  | <b>772,235</b>    |
| Creditors: amounts falling due within one year          | 18          | <b>(448,048)</b>  | <b>(431,905)</b>  |
| <b>Net current assets</b>                               |             | <b>582,586</b>    | <b>340,330</b>    |
| <b>Total assets less current liabilities</b>            |             | <b>2,966,744</b>  | <b>2,811,053</b>  |
| Creditors: amounts falling due after more than one year | 19          | <b>(42,500)</b>   | <b>-</b>          |
| <b>Total net assets</b>                                 |             | <b>2,924,244</b>  | <b>2,811,053</b>  |
| <b>Charity funds</b>                                    |             |                   |                   |
| Restricted funds                                        | 20          | <b>198,215</b>    | <b>250,656</b>    |
| Unrestricted funds                                      | 20          | <b>2,726,029</b>  | <b>2,560,397</b>  |
| <b>Total funds</b>                                      |             | <b>2,924,244</b>  | <b>2,811,053</b>  |

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**

**(A company limited by guarantee)**

**REGISTERED NUMBER: 02592100**

**CONSOLIDATED BALANCE SHEET (CONTINUED)**

**AS AT 31 MARCH 2021**

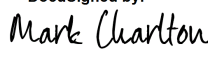
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 30 November 2021 and signed on their behalf by:

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**Mr D L Robson**

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**Mr M Charlton**

The notes on pages 25 to 53 form part of these financial statements.

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED****(A company limited by guarantee)****REGISTERED NUMBER: 02592100****COMPANY BALANCE SHEET  
AS AT 31 MARCH 2021**

|                                                         | <b>Note</b> | <b>2021<br/>£</b> | <b>2020<br/>£</b> |
|---------------------------------------------------------|-------------|-------------------|-------------------|
| <b>Fixed assets</b>                                     |             |                   |                   |
| Tangible assets                                         | 14          | <b>2,378,909</b>  | 2,459,005         |
| Investments                                             | 15          | <b>3</b>          | 3                 |
|                                                         |             | <b>2,378,912</b>  | <b>2,459,008</b>  |
| <b>Current assets</b>                                   |             |                   |                   |
| Stocks                                                  | 16          | <b>157,380</b>    | 141,237           |
| Debtors                                                 | 17          | <b>416,098</b>    | 482,851           |
| Cash at bank and in hand                                |             | <b>395,867</b>    | 97,135            |
|                                                         |             | <b>969,345</b>    | 721,223           |
| Creditors: amounts falling due within one year          | 18          | <b>(437,849)</b>  | (429,729)         |
| <b>Net current assets</b>                               |             | <b>531,496</b>    | 291,494           |
| <b>Total assets less current liabilities</b>            |             | <b>2,910,408</b>  | 2,750,502         |
| Creditors: amounts falling due after more than one year | 19          | <b>(42,500)</b>   | -                 |
| <b>Total net assets</b>                                 |             | <b>2,867,908</b>  | 2,750,502         |
| <b>Charity funds</b>                                    |             |                   |                   |
| Restricted funds                                        | 20          | <b>166,298</b>    | 232,402           |
| Unrestricted funds                                      | 20          | <b>2,701,610</b>  | 2,518,100         |
| <b>Total funds</b>                                      |             | <b>2,867,908</b>  | 2,750,502         |

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**

**(A company limited by guarantee)**

**REGISTERED NUMBER: 02592100**

**COMPANY BALANCE SHEET (CONTINUED)**

**AS AT 31 MARCH 2021**

The Company's net movement in funds for the year was £117,406 (2020 - £(109,101)).

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

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

The financial statements were approved and authorised for issue by the Trustees on 30 November 2021 and signed on their behalf by:

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**Mr D L Robson**

DocuSigned by:  
  
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**Mr M Charlton**

The notes on pages 25 to 53 form part of these financial statements.

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
**(A company limited by guarantee)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

|                                                         | <b>Note</b> | <b>2021<br/>£</b> | <b>2020<br/>£</b> |
|---------------------------------------------------------|-------------|-------------------|-------------------|
| <b>Cash flows from operating activities</b>             |             |                   |                   |
| Net cash used in operating activities                   | 23          | <b>296,796</b>    | <b>(69,101)</b>   |
| <b>Cash flows from investing activities</b>             |             |                   |                   |
| Purchase of tangible fixed assets                       |             | <b>(12,195)</b>   | <b>(7,583)</b>    |
| <b>Net cash used in investing activities</b>            |             | <b>(12,195)</b>   | <b>(7,583)</b>    |
| <b>Cash flows from financing activities</b>             |             |                   |                   |
| Cash inflows from new borrowing                         |             | <b>50,000</b>     | <b>-</b>          |
| <b>Change in cash and cash equivalents in the year</b>  |             | <b>334,601</b>    | <b>(76,684)</b>   |
| Cash and cash equivalents at the beginning of the year  |             | <b>164,278</b>    | <b>240,962</b>    |
| <b>Cash and cash equivalents at the end of the year</b> | 24          | <b>498,879</b>    | <b>164,278</b>    |

The notes on pages 25 to 53 form part of these financial statements

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021****1. General information**

The Charitable Company is a company limited by guarantee (company registered number 02592100, charity registered number 1007918). There are three members, each of whom have undertaken to contribute an amount not exceeding £1 in the event of a winding up. The members are:-

Federation of Groundwork Trusts;  
South Tyneside Metropolitan Borough Council;  
North East Chamber of Commerce, Trade and Industry;

The registered office address of the charitable company is The Eco Centre, Windmill Way, Hebburn, Tyne and Wear, NE31 1SR.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Groundwork South and North Tyneside Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

**2.2 Going concern**

The financial statements have been prepared on a going concern basis. The trustees have reviewed and considered relevant information, including the annual budget and future cash flows, in making their assessment. In particular, the recovery from the Covid-19 pandemic and the recommencing of operations and government funding opportunities. Furthermore, the majority of charitable activities recommencing in early 2021 leading to a stable operating model and financial performance despite the challenges of Covid-19.

Over the past year, the charitable company has accessed a number of business support and emergency grants to reduce the impact of the Covid-19 pandemic on the charitable company. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and financial statements.

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**2. Accounting policies (continued)**

**2.3 Income**

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**2.5 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned.

The Charitable Company has accessed a number of business support and emergency grants including Furlough Scheme to reduce the impact of the Covid-19 pandemic on the company.

Project grants are included in creditors and are released to the statement of financial activities over the life of the project.

**2.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**2. Accounting policies (continued)**

**2.7 Tangible fixed assets and depreciation**

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

|                               |                                 |
|-------------------------------|---------------------------------|
| Freehold property             | - 2% straight line              |
| Long-term leasehold property  | - 2% straight line              |
| Short-term leasehold property | - 2% straight line              |
| Plant and machinery           | - 6.67% straight line           |
| Motor vehicles                | - 20% straight line             |
| Fixtures and fittings         | - 20% straight line             |
| L/Term leasehold Land         | - straight line over lease term |
| Computer equipment            | - 33.3% straight line           |
| Wastage equipment             | - 40% straight line             |

**2.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

**2.9 Work in progress**

Work in progress is valued at the lower of cost and net realisable value and represents costs on ongoing projects where there is a reasonable probability that the costs will be recovered.

**2.10 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**2. Accounting policies (continued)**

**2.11 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.12 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

**2.13 Joint arrangements**

These financial statements recognise only Groundwork South Tyneside and Newcastle upon Tyne's share of the income, expenditure, assets and liabilities of joint arrangement projects.

**2.14 Financial instruments**

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.15 Operating leases**

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**2. Accounting policies (continued)**

**2.16 Pensions**

The Charitable Company operates a defined contribution scheme through the Groundwork Federation which is currently administered by Aegon Scottish Equitable. The scheme is available to all employees. The assets of the scheme are held separately from those of the Charitable Company. The annual contributions payable are charged to the statement of financial activities.

Some current and previous employees of the Charitable Company participate in Tyne and Wear Pension Fund, a defined benefit scheme. Contributions payable to this scheme are charged to the income and expenditure account so as to spread the cost of the pension over the employees' expected working life. The pension charge is calculated on the basis of actuarial advice. The contributions are invested separately from the Charitable Company's assets.

The scheme is a multi-employer scheme and whilst it is a defined benefit scheme, the Charitable Company is unable to identify its share of the underlying assets and liabilities. Accordingly, as directed by FRS17, the contributions to the scheme have been accounted for as if it were a defined contribution scheme.

**2.17 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**2.18 Joint arrangements**

These financial statements recognise only Groundwork South Tyneside and Newcastle upon Tyne's share of the income, expenditure, assets and liabilities of joint arrangement projects.

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**3. Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Critical areas of judgment:**

**Work in progress:**

The accounts include work in progress amounting to £157,380 (2020: £141,237) in respect of costs incurred on projects that were ongoing at the year end. These projects have not yet been completed and therefore the overall outcome of the project is not yet known. There is therefore a degree of judgment by the managers of the charitable company at the year end in determining the likelihood of these costs being recovered in the following year.

**Depreciation:**

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values. This estimation policy is consistent with previous years.

**4. Income from donations and legacies**

|                                            | <b>Restricted<br/>funds<br/>2021<br/>£</b> | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|--------------------------------------------|--------------------------------------------|----------------------------------------------|---------------------------------------|
| <b>Government grants</b>                   |                                            |                                              |                                       |
| Government furlough grants                 | -                                          | 173,448                                      | <b>173,448</b>                        |
| Government - other Covid 19 support grants | -                                          | 68,647                                       | <b>68,647</b>                         |
| <b>Subtotal detailed disclosure</b>        | <b>-</b>                                   | <b>242,095</b>                               | <b>242,095</b>                        |
| Donations                                  | -                                          | 4,050                                        | <b>4,050</b>                          |
| Core funding                               | -                                          | 10,044                                       | <b>10,044</b>                         |
| Other grants                               | 3,803                                      | -                                            | <b>3,803</b>                          |
| <b>Subtotal</b>                            | <b>3,803</b>                               | <b>14,094</b>                                | <b>17,897</b>                         |
|                                            | <b>3,803</b>                               | <b>256,189</b>                               | <b>259,992</b>                        |

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**4. Income from donations and legacies (continued)**

|              | <i>Unrestricted<br/>funds<br/>2020<br/>£</i> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|--------------|----------------------------------------------|---------------------------------------|
| Donations    | 18,206                                       | 18,206                                |
| Core funding | 10,326                                       | 10,326                                |
|              | <u>28,532</u>                                | <u>28,532</u>                         |

**5. Income from charitable activities**

|                              | <b>Restricted<br/>funds<br/>2021<br/>£</b> | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|------------------------------|--------------------------------------------|----------------------------------------------|---------------------------------------|
| Project income - Employment  | 251,000                                    | -                                            | <b>251,000</b>                        |
| Project income - Business    | 76                                         | 107,415                                      | <b>107,491</b>                        |
| Project income - Education   | 44,433                                     | 46,504                                       | <b>90,937</b>                         |
| Project income - Communities | 260,571                                    | 239,519                                      | <b>500,090</b>                        |
| Project income- Land         | 36,783                                     | 111,007                                      | <b>147,790</b>                        |
| Ten North East activities    | 223,298                                    | -                                            | <b>223,298</b>                        |
|                              | <u>816,161</u>                             | <u>504,445</u>                               | <u><b>1,320,606</b></u>               |

|                              | <i>Restricted<br/>funds<br/>2020<br/>£</i> | <i>Unrestricted<br/>funds<br/>2020<br/>£</i> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|------------------------------|--------------------------------------------|----------------------------------------------|---------------------------------------|
| Project income - Employment  | 259,913                                    | -                                            | 259,913                               |
| Project income - Business    | 1,682                                      | 133,653                                      | 135,335                               |
| Project income - Education   | 10,692                                     | 135,696                                      | 146,388                               |
| Project income - Communities | 444,173                                    | 326,149                                      | 770,322                               |
| Project income - Land        | 53,250                                     | 35,782                                       | 89,032                                |
| Ten North East activities    | 228,582                                    | 81,201                                       | 309,783                               |
|                              | <u>998,292</u>                             | <u>712,481</u>                               | <u>1,710,773</u>                      |

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**5. Income from charitable activities (continued)**

Included in project income is the released element of the following grants:

- National Lottery Fund Grant received from the Local Trust for the development of the Central Jarrow Big Local initiative (£149,968 Restricted Funds)
- National Lottery Fund Grant received from the Local Trust Gardening and Landscaping for Central Jarrow Big Local (£15,000 Restricted Funds)
- Jarrow Hall – Final phase of the ‘A Sun Project’, Museum Collection Fund via Esme Fairbairn Foundation, this funding was released under FRS102 in 2017/18.
- Green Space Forum – National Lottery Community Fund Grant to support community groups within parks (£13,770 released in 2020/21)
- National Lottery Community Fund ongoing delivery of Marsden Says to support the development of community programmes and resilience at Marsden Road Centre, total grants received of £192,862, this was released under FRS102 in 2019/20 with £26,564 spent 2020/21.
- Jarrow Hall – Donations were received from public giving totalling £8,461 and gift aid of £2,384 to support the ongoing museum development.
- Community Foundation #IWill to support youth social action in South Tyneside Green Space (£506 released in 2020/21)
- Museum Development North East for curatorial and digital equipment at Jarrow Hall (£1,488 released in 2020/21)
- Energy Redress and Barclays 100\*100 in partnership with Groundwork Yorkshire for fuel vouchers to support people living in poverty and the development of the Green Doctor Service (£10,200 released in 20/21)
- National Lottery Heritage Fund / Green Recovery Challenge Fund in partnership with Groundwork UK (£38,744 released in 2021)
- Route2Work small grants to contribute towards enrichment activity Key Fund and Moving Forward Winter Celebrations Fund £1000
- Arts Council England – Cultural Recovery Fund to support Emergency Covid Response activity at Jarrow Hall £72,680
- Sage Foundation to support Jarrow Hall site development and corporate volunteering opportunities £7,000 was received but not released.
- National Lottery Community Fund Emergency Covid Response funds to support activities and adaptation for West Boldon Lodge £43,736
- Tesco Covid Emergency Grant to support activity packs for families in poverty £1,000
- Heritage Emergency Fund - National Lottery Heritage Fund – Emergency Covid Response funding to support Jarrow Hall - £42,900
- Children in Need Small Grant to support Forest Playschool at West Boldon Lodge £27,295 secured for delivery over 3 years of which £2,148 released in 2020/21.
- Community Foundation Daisy Marr to support enrichment out of college activity for Route2Work learners £5000.
- Covid-19 Business Support Grant via South Tyneside Council £55,000 to provide emergency support at Jarrow Hall, Marsden Road Centre and GW Shop.

To deliver our objects and aims of TEN, the charity has delivered services and support under the following programmes during the 2020/21 financial year: · Building Better Opportunities in partnership with the Wise Group · Young Carers through external funding from Children in Need, National Lottery, Community Foundation, Police and Crime Commissioner, Tesco – Carrier for Causes, Awards for All, Mind, Rise and local donations.

The Charitable Company would also like to thank the South Tyneside Young Carers CIC for their support during the year, their fundraising has supported enrichment and respite activities for our young carers.

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FOR THE YEAR ENDED 31 MARCH 2021**

**6. Income from other trading activities**

**Income from non charitable trading activities**

|                           | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|---------------------------|----------------------------------------------|---------------------------------------|---------------------------------------|
| Trading income - Windmill | 84,639                                       | <b>84,639</b>                         | 316,064                               |
| Jarrow Hall shop takings  | 3,702                                        | <b>3,702</b>                          | 13,318                                |
|                           | <u>88,341</u>                                | <u><b>88,341</b></u>                  | <u>329,382</u>                        |

**7. Investment income**

|                                         | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|-----------------------------------------|----------------------------------------------|---------------------------------------|---------------------------------------|
| Share of rents received from Eco Centre | 62,095                                       | <b>62,095</b>                         | 58,952                                |
| Interest receivable                     | 181                                          | <b>181</b>                            | 1,057                                 |
|                                         | <u>62,276</u>                                | <u><b>62,276</b></u>                  | <u>60,009</u>                         |

**8. Other incoming resources**

|                                | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|--------------------------------|----------------------------------------------|---------------------------------------|---------------------------------------|
| Other income                   | 218,279                                      | <b>218,279</b>                        | 18,913                                |
| Sale of electricity to network | 2,178                                        | <b>2,178</b>                          | 1,325                                 |
|                                | <u>220,457</u>                               | <u><b>220,457</b></u>                 | <u>20,238</u>                         |

Other income of £218,279 includes £204,000 received from South Tyneside Council. This is an exceptional release of funds relating to a historical funding agreement with South Tyneside Council which both parties have agreed to front-load to a one-off lump sum due to the level of administration required on the historical agreement.

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**9. Analysis of expenditure on charitable activities**

**Summary by fund type**

|                           | <b>Restricted<br/>funds<br/>2021<br/>£</b> | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|---------------------------|--------------------------------------------|----------------------------------------------|---------------------------------------|
| Employment                | 296,935                                    | 10,767                                       | <b>307,702</b>                        |
| Business                  | 112                                        | 130,651                                      | <b>130,763</b>                        |
| Education                 | 52,343                                     | 59,996                                       | <b>112,339</b>                        |
| Communities               | 416,579                                    | 338,065                                      | <b>754,644</b>                        |
| Land                      | 41,318                                     | 126,987                                      | <b>168,305</b>                        |
| Ten North East activities | 213,438                                    | 27,597                                       | <b>241,035</b>                        |
|                           | <u>1,020,725</u>                           | <u>694,063</u>                               | <u><b>1,714,788</b></u>               |

|                           | <i>Restricted<br/>funds<br/>2020<br/>£</i> | <i>Unrestricted<br/>funds<br/>2020<br/>£</i> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|---------------------------|--------------------------------------------|----------------------------------------------|---------------------------------------|
| Employment                | 299,232                                    | 25,987                                       | 325,219                               |
| Business                  | 1,795                                      | 169,624                                      | 171,419                               |
| Education                 | 29,724                                     | 163,847                                      | 193,571                               |
| Communities               | 382,197                                    | 445,526                                      | 827,723                               |
| Land                      | 44,577                                     | 57,643                                       | 102,220                               |
| Ten North East activities | 236,097                                    | 89,286                                       | 325,383                               |
|                           | <u>993,622</u>                             | <u>951,913</u>                               | <u>1,945,535</u>                      |

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**10. Analysis of expenditure by activities**

|                           | <b>Activities<br/>undertaken<br/>directly<br/>2021<br/>£</b> | <b>Support<br/>costs<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|---------------------------|--------------------------------------------------------------|-----------------------------------------|---------------------------------------|
| Employment                | 228,882                                                      | 78,820                                  | <b>307,702</b>                        |
| Business                  | 125,075                                                      | 5,688                                   | <b>130,763</b>                        |
| Education                 | 82,177                                                       | 30,162                                  | <b>112,339</b>                        |
| Communities               | 547,804                                                      | 206,840                                 | <b>754,644</b>                        |
| Land                      | 120,751                                                      | 47,554                                  | <b>168,305</b>                        |
| Ten North East activities | 187,005                                                      | 54,030                                  | <b>241,035</b>                        |
|                           | <u>1,291,694</u>                                             | <u>423,094</u>                          | <u><b>1,714,788</b></u>               |

|                             | <i>Activities<br/>undertaken<br/>directly<br/>2020<br/>£</i> | <i>Support<br/>costs<br/>2020<br/>£</i> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|-----------------------------|--------------------------------------------------------------|-----------------------------------------|---------------------------------------|
| Employment                  | 240,373                                                      | 84,846                                  | 325,219                               |
| Business                    | 165,066                                                      | 6,353                                   | 171,419                               |
| Education                   | 144,995                                                      | 48,576                                  | 193,571                               |
| Communities                 | 597,340                                                      | 230,383                                 | 827,723                               |
| Other charitable activities | 74,538                                                       | 27,682                                  | 102,220                               |
| Ten North East activities   | 268,624                                                      | 56,759                                  | 325,383                               |
|                             | <u>1,490,936</u>                                             | <u>454,599</u>                          | <u>1,945,535</u>                      |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

|               | <b>Employment<br/>2021<br/>£</b> | <b>Business<br/>2021<br/>£</b> | <b>Education<br/>2021<br/>£</b> | <b>Communities<br/>2021<br/>£</b> |
|---------------|----------------------------------|--------------------------------|---------------------------------|-----------------------------------|
| Staff costs   | 189,185                          | 13,865                         | 61,248                          | 272,213                           |
| Project costs | 39,697                           | 111,210                        | 20,929                          | 275,591                           |
|               | <u>228,882</u>                   | <u>125,075</u>                 | <u>82,177</u>                   | <u>547,804</u>                    |

|                                  | <b>Land<br/>2021<br/>£</b> | <b>Ten North<br/>East<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|----------------------------------|----------------------------|------------------------------------------|---------------------------------------|
| Staff costs                      | 92,701                     | 152,732                                  | <b>781,944</b>                        |
| Project costs                    | 28,050                     | 25,896                                   | <b>501,373</b>                        |
| Rent and rates                   | -                          | 841                                      | <b>841</b>                            |
| Repairs and maintenance          | -                          | 1,443                                    | <b>1,443</b>                          |
| Printing, postage and stationery | -                          | 385                                      | <b>385</b>                            |
| Telephone                        | -                          | 1,747                                    | <b>1,747</b>                          |
| Motor and travel                 | -                          | 1,556                                    | <b>1,556</b>                          |
| Recruitment and training         | -                          | 2,375                                    | <b>2,375</b>                          |
| General expenses                 | -                          | 30                                       | <b>30</b>                             |
|                                  | <u>120,751</u>             | <u>187,005</u>                           | <u><b>1,291,694</b></u>               |

**Basis of allocation of direct costs:**

Project costs - actual costs

Staff costs - staff time.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

**Prior year**

|               | <i>Employment<br/>2020<br/>£</i> | <i>Business<br/>2020<br/>£</i> | <i>Education<br/>2020<br/>£</i> | <i>Communities<br/>2020<br/>£</i> |
|---------------|----------------------------------|--------------------------------|---------------------------------|-----------------------------------|
| Staff costs   | 194,897                          | 8,426                          | 107,170                         | 338,286                           |
| Project costs | 45,476                           | 156,640                        | 37,825                          | 259,054                           |
|               | <u>240,373</u>                   | <u>165,066</u>                 | <u>144,995</u>                  | <u>597,340</u>                    |

|                                  | <i>Land<br/>2020<br/>£</i> | <i>Ten North<br/>East<br/>activities<br/>2020<br/>£</i> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|----------------------------------|----------------------------|---------------------------------------------------------|---------------------------------------|
| Staff costs                      | 55,708                     | 196,883                                                 | 901,370                               |
| Project costs                    | 18,830                     | 33,063                                                  | 550,888                               |
| Rent and rates                   | -                          | 20,990                                                  | 20,990                                |
| Repairs and maintenance          | -                          | 3,857                                                   | 3,857                                 |
| Printing, postage and stationery | -                          | 3,994                                                   | 3,994                                 |
| Telephone                        | -                          | 1,142                                                   | 1,142                                 |
| Motor and travel                 | -                          | 3,672                                                   | 3,672                                 |
| Recruitment and training         | -                          | 3,509                                                   | 3,509                                 |
| General expenses                 | -                          | 1,514                                                   | 1,514                                 |
|                                  | <u>74,538</u>              | <u>268,624</u>                                          | <u>1,490,936</u>                      |

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**10. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

|                                  | <b>Employment<br/>2021<br/>£</b> | <b>Business<br/>2021<br/>£</b> | <b>Education<br/>2021<br/>£</b> | <b>Communities<br/>2021<br/>£</b> | <b>Land<br/>2021<br/>£</b> |
|----------------------------------|----------------------------------|--------------------------------|---------------------------------|-----------------------------------|----------------------------|
| Staff costs                      | 28,830                           | 2,101                          | 10,444                          | 58,722                            | 16,974                     |
| Depreciation                     | 9,728                            | 650                            | 5,129                           | 68,116                            | 6,874                      |
| Rates and water                  | 2,172                            | 158                            | 787                             | 4,317                             | 1,279                      |
| Light and heat                   | 4,035                            | 294                            | 1,462                           | 8,022                             | 2,376                      |
| Insurance                        | 9,769                            | 713                            | 3,539                           | 19,422                            | 5,752                      |
| Repairs and maintenance          | 10,987                           | 802                            | 3,981                           | 21,844                            | 6,469                      |
| Security costs                   | 4,269                            | 311                            | 1,547                           | 8,489                             | 2,514                      |
| Printing, postage and stationery | 858                              | 63                             | 311                             | 1,704                             | 505                        |
| Telephone                        | 591                              | 44                             | 214                             | 1,175                             | 348                        |
| Motor and travel                 | 471                              | 34                             | 171                             | 936                               | 277                        |
| Recruitment and training         | 346                              | 25                             | 125                             | 688                               | 204                        |
| Bank charges                     | 389                              | 28                             | 141                             | 774                               | 229                        |
| General expenses                 | 1,175                            | 86                             | 426                             | 2,292                             | 692                        |
| Groundwork UK membership fee     | 935                              | 68                             | 339                             | 1,858                             | 550                        |
| Professional fees                | 1,191                            | 87                             | 432                             | 2,369                             | 701                        |
| Irrecoverable VAT                | 5                                | -                              | 2                               | 9                                 | 3                          |
| Governance costs                 | 3,069                            | 224                            | 1,112                           | 6,103                             | 1,807                      |
|                                  | <u>78,820</u>                    | <u>5,688</u>                   | <u>30,162</u>                   | <u>206,840</u>                    | <u>47,554</u>              |

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**10. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

|                                  | <b>Ten North<br/>East<br/>activities<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|----------------------------------|---------------------------------------------------------|---------------------------------------|
| Staff costs                      | 27,422                                                  | 144,493                               |
| Depreciation                     | 8,265                                                   | 98,762                                |
| Project costs                    | 2,235                                                   | 2,235                                 |
| Rates and water                  | -                                                       | 8,713                                 |
| Light and heat                   | -                                                       | 16,189                                |
| Insurance                        | -                                                       | 39,195                                |
| Repairs and maintenance          | 2,339                                                   | 46,422                                |
| Security costs                   | -                                                       | 17,130                                |
| Printing, postage and stationery | 4,524                                                   | 7,965                                 |
| Telephone                        | 990                                                     | 3,362                                 |
| Motor and travel                 | 105                                                     | 1,994                                 |
| Recruitment and training         | 49                                                      | 1,437                                 |
| Bank charges                     | 649                                                     | 2,210                                 |
| General expenses                 | 873                                                     | 5,544                                 |
| Groundwork UK membership fee     | -                                                       | 3,750                                 |
| Professional fees                | 924                                                     | 5,704                                 |
| Irrecoverable VAT                | -                                                       | 19                                    |
| Governance costs                 | 5,655                                                   | 17,970                                |
|                                  | <u>54,030</u>                                           | <u>423,094</u>                        |

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021****10. Analysis of expenditure by activities (continued)****Analysis of support costs (continued)**

|                                             | <i>Employment</i> | <i>Business</i> | <i>Education</i> | <i>Communities</i> | <i>Land</i>   |
|---------------------------------------------|-------------------|-----------------|------------------|--------------------|---------------|
|                                             | <i>2020</i>       | <i>2020</i>     | <i>2020</i>      | <i>2020</i>        | <i>2020</i>   |
|                                             | <i>£</i>          | <i>£</i>        | <i>£</i>         | <i>£</i>           | <i>£</i>      |
| Staff costs                                 | 24,791            | 1,415           | 13,154           | 54,491             | 8,002         |
| Depreciation                                | 11,809            | 2,178           | 9,822            | 69,841             | 4,112         |
| Rates and water                             | 2,294             | 131             | 1,217            | 5,041              | 740           |
| Light and heat                              | 4,556             | 260             | 2,417            | 10,014             | 1,470         |
| Insurance                                   | 9,177             | 525             | 4,869            | 20,172             | 2,961         |
| Repairs and maintenance                     | 8,933             | 511             | 4,740            | 19,634             | 2,883         |
| Security costs                              | 3,567             | 204             | 1,893            | 7,842              | 1,151         |
| Printing, postage and stationery            | 6,996             | 400             | 3,712            | 15,376             | 2,257         |
| Telephone                                   | 508               | 29              | 270              | 1,117              | 164           |
| Motor and travel                            | 1,394             | 80              | 740              | 3,064              | 450           |
| Recruitment and training                    | 813               | 46              | 431              | 1,787              | 262           |
| Bank charges                                | 471               | 27              | 250              | 1,037              | 152           |
| Bad debts                                   | 756               | 43              | 401              | 1,663              | 244           |
| General expenses                            | 2,076             | 121             | 1,103            | 4,564              | 670           |
| Groundwork UK membership fee                | 1,521             | 87              | 807              | 3,344              | 491           |
| Professional fees                           | 1,584             | 91              | 840              | 3,482              | 511           |
| Loss / (profit) on disposal of fixed assets | (49)              | (3)             | (26)             | (106)              | (16)          |
| Irrecoverable VAT                           | 6                 | -               | 3                | 13                 | 2             |
| Governance costs                            | 3,643             | 208             | 1,933            | 8,007              | 1,176         |
|                                             | <u>84,846</u>     | <u>6,353</u>    | <u>48,576</u>    | <u>230,383</u>     | <u>27,682</u> |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

|                                             | <i>Ten North<br/>East<br/>activities<br/>2020<br/>£</i> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|---------------------------------------------|---------------------------------------------------------|---------------------------------------|
| Staff costs                                 | 24,991                                                  | 126,844                               |
| Depreciation                                | 7,937                                                   | 105,699                               |
| Project costs                               | 2,032                                                   | 2,032                                 |
| Rates and water                             | -                                                       | 9,423                                 |
| Light and heat                              | -                                                       | 18,717                                |
| Insurance                                   | 2,544                                                   | 40,248                                |
| Repairs and maintenance                     | -                                                       | 36,701                                |
| Security costs                              | -                                                       | 14,657                                |
| Printing, postage and stationery            | 3,329                                                   | 32,070                                |
| Telephone                                   | 460                                                     | 2,548                                 |
| Motor and travel                            | 269                                                     | 5,997                                 |
| Recruitment and training                    | 800                                                     | 4,139                                 |
| Bank charges                                | 583                                                     | 2,520                                 |
| Bad debts                                   | -                                                       | 3,107                                 |
| General expenses                            | 877                                                     | 9,411                                 |
| Groundwork UK membership fee                | -                                                       | 6,250                                 |
| Professional fees                           | 552                                                     | 7,060                                 |
| Loss / (profit) on disposal of fixed assets | -                                                       | (200)                                 |
| Irrecoverable VAT                           | 2,992                                                   | 3,016                                 |
| Governance costs                            | 9,393                                                   | 24,360                                |
|                                             | <u>56,759</u>                                           | <u>454,599</u>                        |

During the year ended 31 March 2021, the charitable company incurred the following governance costs:

£9,899 (2020 - £10,312) included within the table above in respect of Employment  
£722 (2020 - £589) included within the table above in respect of Business  
£3,586 (2020 - £5,472) included within the table above in respect of Education  
£19,681 (2020- £22,665) included within the table above in respect of Communities  
£5,827 (2020- £3,329) included within the table above in respect of Land.  
£5,655 (2020 - £9,393) included within the table above in respect of Ten North East.

**Basis of allocation of support costs:**

Depreciation - project costs

All other support costs - based on income.

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**11. Auditors' remuneration**

The auditors' remuneration amounts to an auditor fee of £10,750 (2020 - £10,170), and fees for preparation of the financial statements of £2,625 (2020 - £2,500).

**12. Staff costs**

|                                                      | <b>Group<br/>2021<br/>£</b> | <b>Group<br/>2020<br/>£</b> | <b>Company<br/>2021<br/>£</b> | <b>Company<br/>2020<br/>£</b> |
|------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Wages and salaries                                   | <b>925,661</b>              | 1,061,719                   | <b>658,353</b>                | 688,356                       |
| Social security costs                                | <b>53,856</b>               | 72,822                      | <b>39,847</b>                 | 42,768                        |
| Contribution to defined contribution pension schemes | <b>52,728</b>               | 83,960                      | <b>48,083</b>                 | 75,716                        |
|                                                      | <b>1,032,245</b>            | 1,218,501                   | <b>746,283</b>                | 806,840                       |

The average number of persons employed by the Company during the year was as follows:

|           | <b>Group<br/>2021<br/>No.</b> | <b>Group<br/>2020<br/>No.</b> | <b>Company<br/>2021<br/>No.</b> | <b>Company<br/>2020<br/>No.</b> |
|-----------|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Full time | <b>57</b>                     | 64                            | <b>41</b>                       | 48                              |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

|                               | <b>Group<br/>2021<br/>No.</b> | <b>Group<br/>2020<br/>No.</b> |
|-------------------------------|-------------------------------|-------------------------------|
| In the band £60,001 - £70,000 | <b>1</b>                      | 1                             |

Key management has been determined to be the Trustees, the chief executive and the chief executive. Trustees receive no remuneration or benefits for their services as trustees. The total remuneration paid to the chief executive and senior management team, including employers national insurance and pension contributions was £88,310 (2020: £92,691) reduced due to the Deputy CEO leaving in February 2019.

**13. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

**GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Tangible fixed assets**

**Group**

|                       | Freehold<br>property<br>£ | Long-term<br>leasehold<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Other fixed<br>assets<br>£ | Total<br>£ |
|-----------------------|---------------------------|-----------------------------|-----------------------------|------------------------|----------------------------|------------|
| <b>Cost</b>           |                           |                             |                             |                        |                            |            |
| At 1 April 2020       | 2,752,951                 | 2,831,038                   | 232,587                     | 36,800                 | 421,242                    | 6,274,618  |
| Additions             | -                         | -                           | -                           | -                      | 12,195                     | 12,195     |
| Disposals             | -                         | -                           | -                           | -                      | (33,824)                   | (33,824)   |
| At 31 March 2021      | 2,752,951                 | 2,831,038                   | 232,587                     | 36,800                 | 399,613                    | 6,252,989  |
| <b>Depreciation</b>   |                           |                             |                             |                        |                            |            |
| At 1 April 2020       | 1,151,500                 | 2,032,628                   | 197,059                     | 36,800                 | 385,908                    | 3,803,895  |
| Charge for the year   | 48,982                    | 19,474                      | 10,907                      | -                      | 19,397                     | 98,760     |
| On disposals          | -                         | -                           | -                           | -                      | (33,824)                   | (33,824)   |
| At 31 March 2021      | 1,200,482                 | 2,052,102                   | 207,966                     | 36,800                 | 371,481                    | 3,868,831  |
| <b>Net book value</b> |                           |                             |                             |                        |                            |            |
| At 31 March 2021      | 1,552,469                 | 778,936                     | 24,621                      | -                      | 28,132                     | 2,384,158  |
| At 31 March 2020      | 1,601,451                 | 798,410                     | 35,528                      | -                      | 35,334                     | 2,470,723  |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Tangible fixed assets (continued)**

**Company**

|                          | Freehold<br>property<br>£ | Long-term<br>leasehold<br>property<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Other fixed<br>assets<br>£ | Total<br>£       |
|--------------------------|---------------------------|-----------------------------------------|-----------------------------|------------------------|----------------------------|------------------|
| <b>Cost or valuation</b> |                           |                                         |                             |                        |                            |                  |
| At 1 April 2020          | 2,752,951                 | 2,831,038                               | 205,187                     | 36,800                 | 366,299                    | 6,192,275        |
| Additions                | -                         | -                                       | -                           | -                      | 10,399                     | 10,399           |
| At 31 March 2021         | <u>2,752,951</u>          | <u>2,831,038</u>                        | <u>205,187</u>              | <u>36,800</u>          | <u>376,698</u>             | <u>6,202,674</u> |
| <b>Depreciation</b>      |                           |                                         |                             |                        |                            |                  |
| At 1 April 2020          | 1,151,500                 | 2,032,628                               | 169,659                     | 36,800                 | 342,683                    | 3,733,270        |
| Charge for the year      | 48,982                    | 19,474                                  | 10,907                      | -                      | 11,132                     | 90,495           |
| At 31 March 2021         | <u>1,200,482</u>          | <u>2,052,102</u>                        | <u>180,566</u>              | <u>36,800</u>          | <u>353,815</u>             | <u>3,823,765</u> |
| <b>Net book value</b>    |                           |                                         |                             |                        |                            |                  |
| At 31 March 2021         | <u>1,552,469</u>          | <u>778,936</u>                          | <u>24,621</u>               | <u>-</u>               | <u>22,883</u>              | <u>2,378,909</u> |
| At 31 March 2020         | <u>1,601,451</u>          | <u>798,410</u>                          | <u>35,528</u>               | <u>-</u>               | <u>23,616</u>              | <u>2,459,005</u> |

The Charitable Company has two commercial property partnerships that contribute to the fixed assets of the Charitable Company, below is an overview of the partnerships:

One Trinity Green (OTG) – The Charitable Company, in partnership with South Tyneside Council and with ERDF funding support, constructed OTG in 2012 to support the regeneration of the Laygate area of South Shields. The Charitable Company has a 25% share in OTG that equates to £806,262 of freehold property within the financial statements; and

The Beacon – The Charitable Company, in partnership with Centre West Charitable Trust and with ERDF funding support, constructed The Beacon Community Enterprise Hub in 2011/12. The 125 year collaboration aims to assist in the regeneration of the West End of Newcastle. The Charitable Company has a 42.39% share in The Beacon that equates to £798,410 of leasehold property within the financial statements.

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**15. Fixed asset investments**

| <b>Company</b>           | <b>Investments<br/>in<br/>subsidiary<br/>companies<br/>£</b> |
|--------------------------|--------------------------------------------------------------|
| <b>Cost or valuation</b> |                                                              |
| At 1 April 2020          | 3                                                            |
|                          | <hr/>                                                        |
| At 31 March 2021         | 3                                                            |
|                          | <hr/> <hr/>                                                  |
| <b>Net book value</b>    |                                                              |
| At 31 March 2021         | 3                                                            |
|                          | <hr/>                                                        |
| At 31 March 2020         | 3                                                            |
|                          | <hr/> <hr/>                                                  |

**Principal subsidiaries**

The following were subsidiary undertakings of the Company:

| <b>Names</b>                                    | <b>Company<br/>number</b> | <b>Charity<br/>registration<br/>number</b> | <b>Class of<br/>shares</b> | <b>Holding</b> | <b>Included in<br/>consolidation</b> |
|-------------------------------------------------|---------------------------|--------------------------------------------|----------------------------|----------------|--------------------------------------|
| Windmill Sustainable Business Solutions Limited | 05112329                  |                                            | Equity                     | 100%           | Yes                                  |
| Ten North East Limited                          | 02957689                  | 1045638                                    | Sole Member                | -%             | Yes                                  |

The financial results of the subsidiaries for the year were:

| <b>Names</b>                                    | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Surplus/<br/>(Deficit) for<br/>the year<br/>£</b> | <b>Net assets<br/>£</b> |
|-------------------------------------------------|---------------------|--------------------------|------------------------------------------------------|-------------------------|
| Windmill Sustainable Business Solutions Limited | 133,522             | (132,368)                | 1,154                                                | 2,493                   |
| Ten North East Limited                          | 253,815             | (259,182)                | (5,367)                                              | 53,848                  |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Stocks**

|                                     | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> | <b>Company<br/>2021<br/>£</b> | <i>Company<br/>2020<br/>£</i> |
|-------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Work in progress (goods to be sold) | <b>157,380</b>              | <i>141,237</i>              | <b>157,380</b>                | <i>141,237</i>                |
| Finished goods and goods for resale | <b>1,323</b>                | <i>345</i>                  | <b>-</b>                      | <i>-</i>                      |
|                                     | <b>158,703</b>              | <i>141,582</i>              | <b>157,380</b>                | <i>141,237</i>                |

**17. Debtors**

|                                    | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> | <b>Company<br/>2021<br/>£</b> | <i>Company<br/>2020<br/>£</i> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <b>Due within one year</b>         |                             |                             |                               |                               |
| Trade debtors                      | <b>171,441</b>              | <i>117,448</i>              | <b>167,171</b>                | <i>107,329</i>                |
| Amounts owed by group undertakings | <b>-</b>                    | <i>-</i>                    | <b>58,399</b>                 | <i>34,086</i>                 |
| Other debtors                      | <b>169,819</b>              | <i>305,605</i>              | <b>168,732</b>                | <i>301,025</i>                |
| Prepayments and accrued income     | <b>31,792</b>               | <i>43,322</i>               | <b>21,796</b>                 | <i>40,411</i>                 |
|                                    | <b>373,052</b>              | <i>466,375</i>              | <b>416,098</b>                | <i>482,851</i>                |

Included in other debtors are advances made to The Beacon project totalling £28,512 (2020: £57,309).

**18. Creditors: Amounts falling due within one year**

|                                    | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> | <b>Company<br/>2021<br/>£</b> | <i>Company<br/>2020<br/>£</i> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loans                         | <b>7,500</b>                | <i>-</i>                    | <b>7,500</b>                  | <i>-</i>                      |
| Trade creditors                    | <b>155,634</b>              | <i>165,833</i>              | <b>153,634</b>                | <i>156,480</i>                |
| Amounts owed to group undertakings | <b>-</b>                    | <i>-</i>                    | <b>16,485</b>                 | <i>29,087</i>                 |
| Other taxation and social security | <b>13,456</b>               | <i>34,044</i>               | <b>11,362</b>                 | <i>25,618</i>                 |
| Other creditors                    | <b>11,494</b>               | <i>67,324</i>               | <b>11,090</b>                 | <i>66,915</i>                 |
| Accruals and deferred income       | <b>259,964</b>              | <i>164,704</i>              | <b>237,778</b>                | <i>151,629</i>                |
|                                    | <b>448,048</b>              | <i>431,905</i>              | <b>437,849</b>                | <i>429,729</i>                |

Included in other creditors is £1,220 (2020: £37,378) being the Charitable Company's cumulative share of losses incurred by the Beacon project.

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**19. Creditors: Amounts falling due after more than one year**

|            | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> | <b>Company<br/>2021<br/>£</b> | <i>Company<br/>2020<br/>£</i> |
|------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loans | <b>42,500</b>               | -                           | <b>42,500</b>                 | -                             |

Included within the above are amounts falling due as follows:

|                                   | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> | <b>Company<br/>2021<br/>£</b> | <i>Company<br/>2020<br/>£</i> |
|-----------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <b>Between one and two years</b>  |                             |                             |                               |                               |
| Bank loans                        | <b>10,000</b>               | -                           | <b>10,000</b>                 | -                             |
| <b>Between two and five years</b> |                             |                             |                               |                               |
| Bank loans                        | <b>30,000</b>               | -                           | <b>30,000</b>                 | -                             |
| <b>Over five years</b>            |                             |                             |                               |                               |
| Bank loans                        | <b>2,500</b>                | -                           | <b>2,500</b>                  | -                             |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

|                                     | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> | <b>Company<br/>2021<br/>£</b> | <i>Company<br/>2020<br/>£</i> |
|-------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Payable or repayable by instalments | <b>2,500</b>                | -                           | <b>2,500</b>                  | -                             |
|                                     | <b>2,500</b>                | -                           | <b>2,500</b>                  | -                             |

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021****20. Statement of funds****Statement of funds - current year**

|                           | <b>Balance at 1<br/>April 2020<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Transfers<br/>in/out<br/>£</b> | <b>Balance at<br/>31 March<br/>2021<br/>£</b> |
|---------------------------|------------------------------------------|---------------------|--------------------------|-----------------------------------|-----------------------------------------------|
| <b>Unrestricted funds</b> |                                          |                     |                          |                                   |                                               |
| General Funds             | <b>2,560,397</b>                         | <b>1,131,708</b>    | <b>(817,756)</b>         | <b>(148,320)</b>                  | <b>2,726,029</b>                              |
| <b>Restricted funds</b>   |                                          |                     |                          |                                   |                                               |
| Employment                | -                                        | <b>251,000</b>      | <b>(296,935)</b>         | <b>45,935</b>                     | -                                             |
| Business                  | -                                        | <b>76</b>           | <b>(112)</b>             | <b>36</b>                         | -                                             |
| Education                 | <b>4,902</b>                             | <b>44,433</b>       | <b>(52,343)</b>          | <b>3,008</b>                      | -                                             |
| Communities               | <b>227,500</b>                           | <b>260,571</b>      | <b>(416,579)</b>         | <b>94,806</b>                     | <b>166,298</b>                                |
| Land                      | -                                        | <b>36,783</b>       | <b>(41,318)</b>          | <b>4,535</b>                      | -                                             |
| Ten North East Activities | <b>18,254</b>                            | <b>227,101</b>      | <b>(213,438)</b>         | -                                 | <b>31,917</b>                                 |
|                           | <b>250,656</b>                           | <b>819,964</b>      | <b>(1,020,725)</b>       | <b>148,320</b>                    | <b>198,215</b>                                |
| <b>Total of funds</b>     | <b>2,811,053</b>                         | <b>1,951,672</b>    | <b>(1,838,481)</b>       | <b>-</b>                          | <b>2,924,244</b>                              |

TEN North East activities comprise fourteen funds with the aims of supporting Long Term Unemployed and Supporting Young People. Further information on those funds is available within the financial statements of TEN.

Other restricted funds represent project fund income which has been received to enable specific projects to be undertaken in the year.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Statement of funds (continued)**

**Statement of funds - prior year**

|                           | <i>Balance at<br/>1 April 2019<br/>£</i> | <i>Income<br/>£</i> | <i>Expenditure<br/>£</i> | <i>Transfers<br/>in/out<br/>£</i> | <i>Balance at<br/>31 March<br/>2020<br/>£</i> |
|---------------------------|------------------------------------------|---------------------|--------------------------|-----------------------------------|-----------------------------------------------|
| <b>Unrestricted funds</b> |                                          |                     |                          |                                   |                                               |
| General Funds - all funds | 2,737,453                                | 1,150,642           | (1,216,526)              | (111,172)                         | 2,560,397                                     |
| <b>Restricted funds</b>   |                                          |                     |                          |                                   |                                               |
| Employment                | -                                        | 259,913             | (299,232)                | 39,319                            | -                                             |
| Business                  | -                                        | 1,682               | (1,795)                  | 113                               | -                                             |
| Education                 | 22,183                                   | 10,692              | (29,724)                 | 1,751                             | 4,902                                         |
| Communities               | 86,862                                   | 444,173             | (382,197)                | 78,662                            | 227,500                                       |
| Land                      | -                                        | 53,250              | (44,577)                 | (8,673)                           | -                                             |
| Ten North East Activities | 25,769                                   | 228,582             | (236,097)                | -                                 | 18,254                                        |
|                           | 134,814                                  | 998,292             | (993,622)                | 111,172                           | 250,656                                       |
| <b>Total of funds</b>     | 2,872,267                                | 2,148,934           | (2,210,148)              | -                                 | 2,811,053                                     |

**21. Summary of funds**

**Summary of funds - current year**

|                  | <b>Balance at 1<br/>April 2020<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Transfers<br/>in/out<br/>£</b> | <b>Balance at<br/>31 March<br/>2021<br/>£</b> |
|------------------|------------------------------------------|---------------------|--------------------------|-----------------------------------|-----------------------------------------------|
| General funds    | 2,560,397                                | 1,131,708           | (817,756)                | (148,320)                         | 2,726,029                                     |
| Restricted funds | 250,656                                  | 819,964             | (1,020,725)              | 148,320                           | 198,215                                       |
|                  | 2,811,053                                | 1,951,672           | (1,838,481)              | -                                 | 2,924,244                                     |

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**21. Summary of funds (continued)**

**Summary of funds - prior year**

|                  | <i>Balance at<br/>1 April 2019<br/>£</i> | <i>Income<br/>£</i> | <i>Expenditure<br/>£</i> | <i>Transfers<br/>in/out<br/>£</i> | <i>Balance at<br/>31 March<br/>2020<br/>£</i> |
|------------------|------------------------------------------|---------------------|--------------------------|-----------------------------------|-----------------------------------------------|
| General funds    | 2,737,453                                | 1,150,642           | (1,216,526)              | (111,172)                         | 2,560,397                                     |
| Restricted funds | 134,814                                  | 998,292             | (993,622)                | 111,172                           | 250,656                                       |
|                  | <u>2,872,267</u>                         | <u>2,148,934</u>    | <u>(2,210,148)</u>       | <u>-</u>                          | <u>2,811,053</u>                              |

**22. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

|                                     | <b>Restricted<br/>funds<br/>2021<br/>£</b> | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|-------------------------------------|--------------------------------------------|----------------------------------------------|---------------------------------------|
| Tangible fixed assets               | -                                          | 2,384,158                                    | <b>2,384,158</b>                      |
| Current assets                      | 198,215                                    | 832,419                                      | <b>1,030,634</b>                      |
| Creditors due within one year       | -                                          | (448,048)                                    | <b>(448,048)</b>                      |
| Creditors due in more than one year | -                                          | (42,500)                                     | <b>(42,500)</b>                       |
| <b>Total</b>                        | <u>198,215</u>                             | <u>2,726,029</u>                             | <u><b>2,924,244</b></u>               |

**Analysis of net assets between funds - prior year**

|                               | <i>Restricted<br/>funds<br/>2020<br/>£</i> | <i>Unrestricted<br/>funds<br/>2020<br/>£</i> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|-------------------------------|--------------------------------------------|----------------------------------------------|---------------------------------------|
| Tangible fixed assets         | -                                          | 2,470,723                                    | 2,470,723                             |
| Current assets                | 250,656                                    | 521,579                                      | 772,235                               |
| Creditors due within one year | -                                          | (431,905)                                    | (431,905)                             |
| <b>Total</b>                  | <u>250,656</u>                             | <u>2,560,397</u>                             | <u>2,811,053</u>                      |

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FOR THE YEAR ENDED 31 MARCH 2021**

**23. Reconciliation of net movement in funds to net cash flow from operating activities**

|                                                                                | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> |
|--------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Net income/expenditure for the year (as per Statement of Financial Activities) | <b>113,191</b>              | <i>(61,214)</i>             |
| <b>Adjustments for:</b>                                                        |                             |                             |
| Depreciation charges                                                           | <b>98,760</b>               | <i>105,699</i>              |
| Loss on the sale of fixed assets                                               | <b>-</b>                    | <i>81</i>                   |
| Increase in stocks                                                             | <b>(17,121)</b>             | <i>(37,716)</i>             |
| Decrease/(increase) in debtors                                                 | <b>93,323</b>               | <i>(110,270)</i>            |
| Increase in creditors                                                          | <b>8,643</b>                | <i>34,319</i>               |
| <b>Net cash provided by/(used in) operating activities</b>                     | <b>296,796</b>              | <i>(69,101)</i>             |

**24. Analysis of cash and cash equivalents**

|                                        | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> |
|----------------------------------------|-----------------------------|-----------------------------|
| Cash in hand                           | <b>498,879</b>              | <i>164,278</i>              |
| <b>Total cash and cash equivalents</b> | <b>498,879</b>              | <i>164,278</i>              |

**25. Analysis of changes in net debt**

|                          | <b>At 1 April<br/>2020<br/>£</b> | <b>Cash flows<br/>£</b> | <b>At 31 March<br/>2021<br/>£</b> |
|--------------------------|----------------------------------|-------------------------|-----------------------------------|
| Cash at bank and in hand | <b>164,278</b>                   | <b>334,601</b>          | <b>498,879</b>                    |
| Debt due within 1 year   | <b>-</b>                         | <b>(7,500)</b>          | <b>(7,500)</b>                    |
| Debt due after 1 year    | <b>-</b>                         | <b>(42,500)</b>         | <b>(42,500)</b>                   |

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. Pension commitments**

The Charitable Company also operates a defined contribution scheme through The Federation of Groundwork Trusts which is currently administered by Aegon Scottish Equitable. The scheme is available to all employees. The assets of the scheme are held separately from those of the Charitable Company. The annual contributions payable are charged to the statement of financial activities.

A few current and previous employees of the Charitable Company participate in Tyne and Wear Pension Fund, a defined benefit scheme. However, the scheme is a multiple employer scheme and the Charitable Company is unable to identify its share of the underlying assets and liabilities. Contributions payable to this scheme are charged to the income and expenditure account so as to spread the cost of the pension over the employees' expected working life. The pension charge is calculated on the basis of actuarial advice. The contributions are invested separately from the Charitable Company's assets.

The pension cost charge represents contributions payable by the Charitable Company to the funds during the year and amounted to £52,728 (2020 - £83,960). Contributions totalling £6,767 (2020 - £25,132) were payable to the fund at the balance sheet date.

**27. Related party transactions**

D Pearce and A Thurston, trustees of the Charitable Company are also trustees of Groundwork North East. During the year ended 31 March 2021 the company procured goods and services from Groundwork North East amounting to £17,495 (net) and an amount of £32,004 was owed to Groundwork North East at the year end. In addition, the charitable company made sales totalling £8,918 (net) to Groundwork North East during the year and an amount of £18,088 was owed by Groundwork North East at the year end.

Andrew Watts, chief executive officer of the Charitable Company, is a trustee of Tyne Coast College Academy Trust (TACT). During the year the Charitable Company made sales totalling £2,555 to one of the "members" of the TACT Trust Portfolio.

Mr C E Potts (trustee of Ten North East Limited) is a director of The Customs House Green Room Limited. During the year ended 31 March 2020 the group incurred expenditure totalling £1,023 from this organisation.

Mr M Charlton, a trustee of Groundwork South and North Tyneside Limited is a partner in Charlton and Co. During the year, the group incurred expenditure of £648 in relation to professional fees provided by Charltons to one of the subsidiaries in the group.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**28. Collaborations**

As explained in Note 14 of the financial statements, Groundwork has two long-term legally binding collaborations, below is an overview of the collaboration:

One Trinity Green (OTG) – The Charitable Company has a long-term collaboration with South Tyneside Council in the development and management of OTG Business Centre. The collaboration is to support the regeneration of the Laygate area of South Shields and development of a Business Incubator that supports new and emerging business leading to business growth and employment opportunities. Through the collaboration, the Charitable Company has a 25% share in OTG.

The Beacon – The Charitable Company has a 125 year collaboration with Centre West Charitable Trust in the development and management of the Beacon Community Enterprise Hub. The collaboration is to support the regeneration of the West End of Newcastle as well as furthering the aims of the two charitable companies. The ethos of the centre is to provide affordable flexible office spaces and artisan workshops to local new and emerging businesses that support the partners' charitable aims. The Charitable Company has nominated two representatives onto The Beacon Partnership Board.

Through the collaboration, the Charitable Company has a 42.39% share in The Beacon. In accordance with Financial Reporting Statement 9 – Accounting for associates, joint ventures and joint arrangements, these financial statements recognise only Groundwork South and North Tyneside's share of the income, expenditure, asset and liabilities of the collaboration project for The Beacon Partnership.

**29. Controlling party**

The Charitable Company is controlled by the Board of Trustees. No individual has overall control.