

GROUNDWORK NORTH EAST

England & Wales · Charity number 1017706

Details

Other names	GROUNDWORK WEST DURHAM & DARLINGTON, WEST DURHAM GROUNDWORK TRUST, GROUNDWORK WEST DURHAM
Status	Registered
Legal form	Charitable company
Company number	02702815
Registered	1993-03-01
Register	View on the Charity Commission register

Contact

Address	Groundwork N E & Cumbria Unit 14 - Parsons Court Welbury Way Aycliffe Business Park Newton Aycliffe DL5 6ZE
Phone	01388662666
Email	north.east@groundwork.org.uk
Website	www.groundwork.org.uk/northeast

Activities

Objects: (1) TO PROMOTE THE CONSERVATION, PROTECTION AND IMPROVEMENT OF THE PHYSICAL AND NATURAL ENVIRONMENT IN THE NORTH EAST AND CUMBRIA REGIONS OF ENGLAND (THE 'AREA');(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 TO THE AREA OF BENEFIT; (3) TO ADVANCE PUBLIC EDUCATION IN ENVIRONMENTAL MATTERS AND OTHER WAYS OF BETTER CONSERVING, PROTECTING AND IMPROVING THE SAME WHERESOEVER; (4) TO PROMOTE, FOR THE PUBLIC BENEFIT, URBAN OR RURAL REGENERATION IN AREAS OF SOCIAL AND ECONOMIC DEPRIVATION IN THE AREA OF BENEFIT. (FOR FURTHER DETAILS SEE CLAUSE 3)

Activities: To promote for the public benefit, urban or rural regeneration in areas of social and economic deprivation within the Area.To advance public education in environmental mattersTo promote the conservation, protections and improvement of physical and natural environment within the Area

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** NORTH EAST AND CUMBRIA AREAS OF ENGLAND
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£8,192,304	£7,914,471	£5,038,549	160
2024-03-31	£8,420,552	£8,475,730	£4,749,575	174
2023-03-31	£9,652,214	£9,558,898	£4,719,203	230
2022-03-31	£9,141,508	£8,683,643	£4,625,887	212
2021-03-31	£6,506,484	£6,472,805	£4,847,273	173

Trustees

Name	Role	Appointed
Amber Jade Jasmine Anderson		2020-09-24
DIANA CATHERINE PEARCE		2013-09-25
Helen Simmons		2021-06-23
Joel Peter Kirkham Hayes Atherton		2025-03-19
John Edward Pritchard		2017-09-19
Marion Fiona Schooler		2019-03-20
Michael William Orde		2025-03-19
Rachael Crooks		2025-03-19
Steven Francis Cole		2023-09-27
Zain Richardson		2023-09-27

Accounts

Company registration number: 02702815

Charity registration number: 1017706

GROUNDWORK NORTH EAST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2025

Groundwork North East

Contents

Reference and Administrative Details	1
Chairman's Statement	2
Trustees' Report	3 to 15
Independent Auditors' Report	16 to 18
Consolidated Statement of Financial Activities	19
Consolidated Balance Sheet	20
Balance Sheet	21
Consolidated Statement of Cash Flows	22
Notes to the Financial Statements	23 to 44
Comparative Consolidated Statement of Financial Activities	45

Groundwork North East

Reference and Administrative Details

Trustees	A R Thurston J E Pritchard D C Pearce H Simmons A J J Anderson M F Schooler J Davison S F Cole M Houston (resigned 11 July 2025) S Neill (resigned 19 June 2024) J Parkin (resigned 19 June 2024) Z Richardson M W Orde (appointed 19 March 2025) R Crooks (appointed 19 March 2025) J P K Atherton (appointed 19 March 2025)
Key Management Personnel	S Roberts, Chief Executive Officer Heatherington, Director of Finance & Corporate Services (resigned 5 July 2024) L Gardiner, Head of HR L Locke, Head of Business & Development
Registered Office	14 Parsons Court Welbury Way Newton Aycliffe County Durham DL5 6ZE The charity is incorporated in England and Wales.
Company Registration Number	02702815
Charity Registration Number	1017706
Auditor	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Groundwork North East

Chairman's Statement

In 2024/25 Groundwork North East & Cumbria continued to deliver against the five priority areas within our 2023 - 2028 five year strategy:

1. Protecting & Enhancing Green & Blue Spaces
2. Delivering Green Skills & Jobs
3. Promoting Greener Living
4. Empowering Communities
5. Developing new trading activity to provide additional income to support our charitable objects.

The Trustees would like to express their gratitude and thanks to our Groundwork staff and volunteers for the way in which they have continued to develop and deliver successful programme of activity in line with these strategic priorities.

We ended the year with a consolidated surplus of £288,974, which is a reflection of the success of our programme of projects and which provides a foundation for continuing delivery in future years. However, the true measure of our success is the impacts we made as we fulfil our charitable objects. Key achievements are shown in the Achievements and Performance section of the Trustees' report and highlights include:

1. Supporting 3,631 households with free, impartial energy advice
2. Supported 1,144 individuals to transition into education, training or employment
3. Implemented 2,127 biodiversity improvement actions including: addressing habitat and biodiversity loss
4. 259 sites improved, including public parks, community areas and schools
5. Generating a surplus of £168,463 from our trading activities to support our charitable objects

As we developed and delivered our programme, we worked with a number of partners across the public and private sectors as well as continuing our partnership with our sister Trust, Groundwork South and North Tyneside and playing an active role in the wider Groundwork Federation.

I would like to thank my fellow trustees, who give their time so generously to support our organisation, and Groundwork's employees and volunteers who continue to inspire through their commitment and creativity: the greatest strength of any organisation is its people.

Andrew Thurston
Chair

Signed by:

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.....
A R Thurston
Trustee

Groundwork North East

Trustees' Report

Report of the Trustees

The trustees are pleased to present their Annual Report, together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 March 2025, which are also prepared to meet the requirements for a directors' report and accounts for the Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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.

Our purposes and activities

The charity's purposes and activities are set out below. The activities are undertaken to further the Trust's charitable purposes for the public benefit. The trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission and the trustees have paid due regard to this guidance in deciding what activities the Trust should undertake.

The company's charitable objects, as defined in the Memorandum & Articles of Association are:

- a. To promote the conservation, protection and improvement of the physical and natural environment anywhere in the North East and Cumbria regions of England.
- b. To provide facilities in the interests of recreation and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting to the North East and Cumbria.
- c. To advance the public education in environmental matters and of the ways of better conserving, protecting and improving the same whatsoever.
- d. To promote, for the public benefit, urban and rural regeneration in areas of social and economic deprivation.

What we do to meet our charitable objectives To achieve these charitable objectives we deliver a diverse range of projects and programmes across the North East and Cumbria, under one of our three strategic programme areas.

- **create better places-** by making communities greener, safer and healthier and by enabling people to work together to bring about change in their local area.
- **improve people's prospects-** by increasing the confidence, skills, wellbeing and employability of those struggling in education or out of work.
- **promote greener living and working-** by helping people and businesses reduce their environmental impact, improve their health, cut waste and save money.

Our ambition is to build our visibility, our reputation and our resource base so that we can be a significant, radical force for driving change in attitudes, behaviours, places and prospects in the local communities that need it most.

Groundwork North East

Trustees' Report

Our strategic growth areas over five years (2023 -28) are to:

- Protecting and enhancing green and blue spaces
- Delivering green skills and jobs
- Promoting greener living
- Empowering communities
- Developing new trading activity

These areas of focus each build upon the delivery and positioning achieved during recent years through our principle operational themes of: Nature based solutions, Energy Efficiency, Employment and Skills, Green teams and land management, Youth work and Health and wellbeing.

We will align our programme with emerging policy framework from central government and local stakeholders' strategies and plans. We will continue improving our own capability and resilience to ensure we are putting maximum resource into our front-line delivery and invest in the right skills to improve the quality of our services and management.

Our Volunteers

We are extremely grateful for the assistance of 1,611 volunteers (584 of these corporate volunteers and 380 professionals) who have been actively involved on a variety of projects, providing 20,128 hours of volunteer time, energy and skills to help us reach more beneficiaries and increase our positive impact on the environment.

Achievements and performance

Throughout the year Groundwork North East and Cumbria delivered a high volume of short and long-term projects. Short term projects are defined as those which last less than one year.

Creating better places

- Implemented 2,127 biodiversity improvement actions including: addressing habitat and biodiversity loss
- Improved 207 Hectares of land
- 259 sites improved, including public parks, community areas and schools

Revitalising our Estuaries: Funding from the Caterpillar Foundation has built on work initially carried out through Revitalising our Estuaries (ROE) - which was a rapid 18-month project that delivered habitat restoration and community engagement across six major river estuaries in northeast England. Caterpillar Foundation's support allows us to build on ROE and enables us to deliver work against the following themes:

- Habitat and Species Recovery
- Access Improvements
- Community Engagement
- Carbon Sequestration
- Invasive Species Control
- Fish Passage Clearance
- Water Quality
- Green Space Enhancements

This programme has indirectly reached over 4M people, improved over 30 habitat areas and improved 9km of footpaths.

Groundwork North East

Trustees' Report

Local Investment in Natural Capital: The LINC Pilot is a project aimed at enhancing the capacity of local authorities and partners in Northumberland to adopt a natural capital approach to economic growth. The initiative seeks to develop sustainable funding and investment strategies that combine public and private finance to support long-term nature recovery efforts, benefiting local communities, landowners, and businesses. As part of the pilot, the Borderlands LINC Steering Group has appointed GNEC to create an investment strategy for the River Wansbeck catchment. This involves collaboration with key stakeholders like Northumberland County Council, the Environment Agency, and The Rivers Trust to develop a funding plan that supports Nature-based Solutions (NbS), focusing on catchment regeneration, sustainable farming, and climate resilience.

Long Term goals include:

- Establishing investible projects and natural capital funding mechanisms
- Facilitating transactions between buyers and sellers
- Strengthening collaboration to achieve large-scale environmental and economic benefits

This initiative is a pioneering effort that aims to attract investment, improve farming resilience, and support nature recovery through a coordinated, strategic approach.

Helen Hornby, Programme Development Manager for Nature-based Solutions said: *Some of our trialled Nature-based Solutions have been in place for 2 or 3 years now and are starting to show the results as they are colonised by seaweeds, algae and saltmarsh plants."*

3 Together Big Local: For almost 10 years GNEC has been working with the 3 Together Big Local Partnership to make Easington Lane and Moorsley in Sunderland even better places to live. Local residents and supportive partners have had the autonomy to decide how a grant of £1,250,000 from Local Trust could be best spent in their community.

Over the years the 3 Together Partnership has carefully considered their communities needs and spent their money wisely. They have initiated a hugely successful community transport programme, constructed a skatepark, supported important local heritage initiatives, funded more than 60 community led projects and extensively supported the vulnerable through covid. March 2025 sees 10 years of exciting and rewarding work reach a conclusion, following a very busy 2024 when key projects were delivered. As the partnership winds down the focus is on leaving a legacy by investing in a fantastic new community building with over 300 users every week.

Elba Park: A park covering 52 hectares, situated on the outskirts of Sunderland. The park is owned by the Land Trust, which has appointed GNEC as the managing agent. Our team oversees the daily operations of the site and strives to achieve outcomes that align with the Land Trust's goals. Since the park opened to the community five years ago, several infrastructure improvements have been made. These include four picnic tables, five additional benches, 1,800 meters of new footpaths, and a 10-bay car park attracting 493 people to events and activities.

Choices Cumbria was a programme that helped 866 individuals overcome complex barriers to achieve their goals and pathways to employment. It provided tailored support to address challenges such as lack of confidence, social isolation, health issues and lack of work experience or qualifications. 209 economically inactive people were supported into employment. Participants said "I never thought I would feel as I do today after the help from Choices" and "This programme helped me get out of the house and I am more comfortable with new people."

Groundwork North East

Trustees' Report

Improving people's prospects

- Supported 1,144 individuals to transition into education, training or employment
- Attained 338 formal qualifications
- Provided 2,748 individuals with personalised coaching or mentoring

Back To Work: Through the UK Shared Prosperity Funds Back to Work offers employability support for local residents across Northumberland. The programme is delivered in collaboration with The North of Tyne Combined Authority and is dedicated to assisting economically inactive individuals in building confidence and developing skills, which supports them to move forward in their employment journey. This support includes:

- Dedicated Support Mentor
- Personalised holistic one-to-one guidance, advice and support
- Access to a variety of training and vocational courses to enhance skills

This project has engaged with 124 individuals and supported 121 individuals with coaching and mentoring

Cumberland Futures: Supporting individuals who are economically inactive in Cumbria. The project has supported those who face barriers to employment, from low mental health, low resilience, long term unemployed, over 50s and NEETs.

The project has supported 47 people to improve skills such as job searching and 40 of these individuals completed the programme with a successful outcome.

Police and Crime Commissioner: A programme created through user-led activities to provide diverse and educational opportunities for young people. It provides support for those aged 11-18 years of age who are involved in, or are at risk of being drawn into serious violence, targeting hotspot areas across East Durham through detached youth work.

Youth workers have delivered 96 workshops as preventative work with groups around issues that most affect them such as violent behaviour or being a victim of violence. Lennon who is 15 years of age and who has participated in the workshops said "I feel more confident to make a positive change in my community and I'd definitely recommend these sessions to other young people.

Northern Directions: Provides opportunities for young people not in education, employment or training (NEET) and for those aged 16-24 to progress towards or into the labour market, further education or training. Free tailored employability and personal development packages are made available to a diverse range of young people, which supports them to overcome barriers.

The project last supported 282 young people, with 102 of these young people supported into a form of education, training or employment and a further 102 young people reported that they had improved mental health and wellbeing as a result of the programme.

Mary Blackwell project Manager said: " Northern Directions is a project that I am honoured to be a part of. We have an incredible team who put the needs of the young people we engage with at the centre of delivery. This is shown in the results that are being achieved".

The programme is funded to continue delivery into next year based on the impact achieved to date.

Promoting greener living and working

- Identification of 20,120kg CO2e in potential domestic carbon saving
- Offered 3,631 free impartial advice, supporting people to save energy and reduce bills

Groundwork North East

Trustees' Report

Cadent Stay Warm Stay Well: Stay Warm, Stay Well provides much needed support for vulnerable households who are struggling with their energy bills. Through Green Doctor visits households receive practical guidance on energy saving, including behaviour change tips, as well as referrals to other local support services such as debt advice and food banks.

Funded by the Cadent Foundation and led in partnership by GNEC, the programme will invest £6m and support 14,500 households in communities across England.

The programme is a new wave of GNEC's partnership with the Cadent Foundation, contributing towards 4,700 winter warmer packs to be distributed to households in vulnerable situations, providing warmth during the winter season.

Home Energy Advice North East: GNEC, in partnership with the Energy Saving Trust and Community Action Northumberland, are currently delivering the in-home support programme. This initiative provides free, expert advice on enhancing the energy efficiency of homes across the North East Combined Authority regions.

The project has 750 both hard-to-reach and hard-to-treat homes, specifically aiming to facilitate the installation of retrofit home energy improvements. The advice is managed by the Energy Saving Trust and delivered by GNEC and Community Action Northumberland (CAN), with guidance offered either in the home or at events.

Delivering on the project Rebekah Vickers, Green Living Coordinator said "It has been a beneficial project to be involved in, has strengthened our partnerships with the local authorities, and helped raise awareness of retrofit in our communities".

Blue Influencers: GNEC, among 22 charities funded by the Blue Influencers Scheme, recruits young people (ages 10-14) to become 'Blue Influencers.' With support from Blue Mentors, they initiate social action projects to enhance their environments. In total 99 young people have participated in 48 different projects.

This initiative, from The Ernest Cook Trust, aims to empower underserved youth in coastal and riverside areas to address environmental issues while developing skills for future employment, building on the success of the Green Influencers Project.

A blue Influencer when discussing the programme said "I've learnt how to create tools and trinkets with biodegradable, sole to the Earth materials. I have realised how important water and river spaces are and how necessary they are to maintain. I have learnt how to help maintain blue spaces and how everyone can make some difference. Even if it's is small like litter picking I have learned how important reducing plastic waste is and how it affects blue spaces and sea life more than ever.

Financial Review

The Trust continues to build a positive and robust balance sheet, increasing from £4,750k to £5,039k.

Our principal sources of funding were from the UK Shared Prosperity Fund, Environment Agency, Heritage Lottery and via Trading.

Consolidated cash balances increased in the year to £1,358,950.

Groundwork North East

Trustees' Report

The Greenhouse business centre continues to house a range of tenants from start up to SME's, as well as providing a high level of quality business meeting space. Occupancy rates have remained high despite concerns regarding changes to working practices including home working. Investment has been made to improve mobile phone coverage throughout the centre.

The Land of Oak and Iron Heritage Centre continues to grow in terms of engagement and turnover, establishing itself as a go to destination catering for a wide range of visitors all year round. Investment has been made to expand and remodel the servery to cater for increased footfall.

Some of our funders require details to be included in our Financial Statements, which is provided as part of note 23.

Investment powers and policy

Under the Memorandum and Articles of Association, the Trust has the power to make any investment which the Board see fit.

Reserves Policy

Groundwork NE & Cumbria Trustees and executive management team have reviewed the Reserves Policy and the Board has agreed that unrestricted reserves are required for the following reasons:

Financial impact of Risk:

- To allow the Trust to absorb short term setbacks such as loss or delays in funding;
- To provide funding to cover unforeseen downturn in activity, allowing alternative activity to be generated and/or a planned downsizing of activity;
- To allow for the management of risks in funding of growth opportunities;
- To cover any contractual obligations required such as redundancy, TUPE costs, extended liabilities (re-payments)

Working Capital:

- To finance working capital needs, such as delays in receipts and to fund the time delays between developing projects, obtaining approval and funds being received;
- To cover the working capital required to fund retrospective payment terms
- To enable the Trust to maintain target reserves against anticipated low points of actual reserves

Commitments and long-term plans:

- To fund new business development plans, such as new and improved delivery services for the Trust
 - To continue to maintain Trust buildings and sites to a good standard
 - To fund development of new systems and structures to support improved communications, research, quality and business management
- To fund specific business case led initiatives that lead to furtherance of the Trust's objectives.
- Initial specific funding is set aside to deliver the Trust's Carbon Reduction Plan, through investing in projects that:
 - Reduce energy consumption e.g. installation of solar power;

Groundwork North East

Trustees' Report

- Investment in trust owned vehicles that rely less on fossil fuels
- Incentivising staff to rely less on transport that uses fossil fuels whilst commuting and undertaking business travel
- Allow changes to be made to the way we do business' and in so doing reduce the impact on the environment

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

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

Balancing the above and taking account of guidance published by the charity Commission, we have calculated a target Reserves value as £1,577k. This is a risk and cost-based approach;

1. Financial risk - £916k
2. Working capital - £441k
3. Commitment to long-term plans - £220k

The current Reserves, as of 31st March 2025, is calculated as:

Total unrestricted reserves £1,597,552
Less tangible fixed assets (£392,997)

Total group free reserves £1,204,555

The Trustees and management will seek to achieve and maintain the target level of Reserves over the coming years.

The Trust maintains the following funds:

Restricted Funds Use of Funds

- Projects - Future delivery of specific projects
- The Greenhouse property - Relating to the building of the Greenhouse Business Centre
- Greencroft Woodland Purchase - Purchase of the woodland
- Cockermouth property - Funding used for property refurbishments
- Land of Oak and Iron Heritage Centre - Relates to the capital spend on the Heritage Centre, the fund equals the net book value of the asset at the end of the year.

Designated Funds

- Business Development - Future development costs and business opportunities
- Projects Surplus from projects - to be used in programme delivery
- The Greenhouse - Unrestricted balance of the Greenhouse Investment property.

Groundwork North East

Trustees' Report

Going Concern

In the year to 31 March 2025, there was a net surplus in the year of £289k for the Group. General unrestricted funds showed a surplus of £316k. The Trustees have reviewed the Trust Business Plan for 2025 - 2026, targeting a surplus of £35k. The business plan is sufficient to secure the immediate future of the charity for at least the next 12 to 18 months. On this basis, we consider that the Trust is a going concern.

Plans for the future

The 2025/26 business plan has a projected turnover of £8.3M with a surplus of £35k. This has been structured around our five strategic growth areas as set out in GNEC's Strategic Plan 2023-28:

- Protecting and enhancing green and blue spaces
- Delivering green skills and jobs
- Promoting greener living
- Empowering Communities
- Developing new trading activity

Each growth area aligns with emerging policy frameworks from central government and local stakeholder strategies and plans, encompassing poverty, inclusivity and the environment. Each growth area also builds upon the delivery and positioning achieved through our principal operational themes.

Groundwork North East

Trustees' Report

• **Nature Based Solutions** - We are committed to expanding and strengthening our nature based solutions to tackle environmental challenges, enhance biodiversity and create healthier, more resilient communities. Our approach includes:

- o Restoring degraded landscapes
- o Enhancing urban green infrastructure
- o Improving water quality and flood resilience
- o Supporting community-led conservation

• **Youth** - We strongly believe that young people are key to shaping a sustainable future, and we are committed to expanding and strengthening our youth programmes. Our approach includes:

- o Education and training
- o Youth employment support
- o Traditional youth work

• **Employment** - We recognise that a strong, sustainable economy must be inclusive and green, ensuring that all individuals, especially those facing barriers to employment have access to meaningful work opportunities. Our approach includes:

- o Delivering targeted employability programmes
- o Expanding green jobs and skills training
- o Working with employers to create inclusive opportunities
- o Supporting disadvantaged groups

• **Energy Efficiency** - We are committed to enhancing and expanding our Green Doctors Programme, providing in home, face to face support, helping individuals reduce their energy consumption and save money. Our approach includes:

- o Expanding our geographical reach of the green doctor service
- o Developing retrofit skills
- o Delivering energy efficiency training
- o Engaging vulnerable communities

• **Health and wellbeing** - We recognise that access to nature plays a fundamental role in improving mental and physical health. Our ambition is to maintain and further develop our social prescribing activities, ensuring more people benefit from green spaces, structured support, and community lead wellbeing initiatives. Our approach includes:

- o Nature Based social prescribing
- o Outdoor wellbeing programmes
- o Physical activity through environmental action
- o Community resilience projects

• **Land Management** - We are committed to protecting, restoring and enhancing the regions green and blue spaces to ensure they remain vibrant, accessible and resilient for both people and nature. Our approach includes:

- o Managing parks, woodlands and community green spaces
- o Delivering community led conservation initiatives
- o Providing skills development and training
- o Supporting sustainable farming
- o Developing natural flood management solutions

We will continue to focus our work in areas of greatest need across the North east and Cumbria, helping people in hardship and isolation; building the green economy, connecting those who need it most with nature and helping people and places respond and adapt to climate change.

Groundwork North East

Trustees' Report

Our business management plan enables us to focus on priority areas to support sustainable growth and adapt to a face-paced changing world. We plan to maintain our areas of strength whilst building and/or improving other area as needed. This will support the organisation to build and retain skills and committed teams and develop systems and facilities that are fit for purpose. Our priorities include:

- People
- Marketing
- Quality and Learning
- Net Zero
- Finance

GNEC will strive to improve our financial position and drive income diversification, generating more flexible funds that we can use to deliver our local programmes.

1. Keep our overhead costs low to ensure discretionary spending is focused on supporting local delivery
2. Continue to make strides in contributing towards our reserves policy to sustain our charitable operations
3. Use our financial resources to support GNEC, increasing our resilience, diversify income streams and maximise community impact.

Groundwork North East

Trustees' Report

Trading Activities

The Greenhouse Environmental Business Centre in Annfield Plain was established as an eco-Centre in 2005 and provides high quality facilities for our tenants. With an on-site wind turbine, c70% of electricity used in the building was generated from this facility. The environmental credentials of the building will continue to be improved and where relevant, leading technologies to cement this unique proposition in the area will be continued. This includes a potential investment in commercial battery storage for variable energy generation and consumption.

At our Land of Oak and Iron Heritage Centre in Winlaton Mill, we are proud to promote and celebrate local heritage and history of the Derwent Valley and surrounding areas. The centre attracts significant visitor numbers from the local population due to the convenience of the site and amenities provided. The centre continues to engage through on site events and an active social media presence. A quality food and drink offer is constantly being updated to encourage repeat visits. Further investment is scheduled to develop a new play area adjacent to the centre.

Directors and Trustees

Structure, Governance and Management

Governing Document

The Trust is a registered charity and a company limited by guarantee and is governed by its Memorandum and Articles of Association.

The Trust is part of a national federation of independent Trusts, including the Groundwork national office and we continue to play a leading role in the development of Groundwork in the UK. Each Groundwork trust operates independently with their local partners to improve people's prospects, create better places and promote greener living and working.

Appointment of trustees

Trustees who are also members of the Company serve a term to a maximum of three years and can be appointed for further terms subject to approval by the Board.

Trustee induction and training

Trustees meet with the Chief Executive and Chairman for an introduction to the Trust. Trustees are invited and encouraged to sit on Board Committees.

Organisation

The Board of Trustees, which can have up to 15 members, administer the charity. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity.

During this financial year there were four meetings of the full Board, which received reports from committees which also met quarterly:

- **Finance & Corporate Services Committee** - Oversees the financial, personnel and health and safety activities of the Trust, recommend financial strategy to the Board and ensure that robust systems of financial management are in place.

Groundwork North East

Trustees' Report

- **Strategic & Business Development Committee** - Develops the Trust's forward Strategic and Business plans making recommendations to the Board via the Finance & Corporate Services Committee on specific opportunities.
- **Business Controls, Systems and Compliance Committee** – Oversees the Trust implementation of non-financial compliance, policies and procedures required to meet legal compliance, and regulatory requirements with regards Health & Safety Data Protection and Safeguarding.
- **Trading Board** – oversees commercial and income generating objectives at The Greenhouse Business Centre and the Land of Oak and Iron Heritage Centre.

At each meeting of the Board, presentations from areas of the business are received. Throughout the year presentations from staff on projects in the Youth Employment Initiative, Land & Communities Projects and an overview of the Social Enterprise businesses were made.

Related parties and co-operation with other organisations

The Trustees represent local authorities, businesses, community & voluntary organisations. None of our trustees receive remuneration or other financial benefit from their work with the charity.

The Trust is part of a national network of independent trusts known as the Groundwork Federation.

The Trust has one wholly owned subsidiary company,

The Greenhouse Company (Groundwork) Limited;

Details of any related party transactions are disclosed in Note 26 to the accounts.

Groundwork North East

Trustees' Report

Statement of trustees' responsibilities

The trustees (who are also the directors of Groundwork North East 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group 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 accounting standards, comprising FRS 102 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 parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

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 25 November 2025 and signed on its behalf by:

Signed by:

 E9F3ED3EA668428:....
 A R Thurston
 Trustee

Groundwork North East

Independent Auditor's Report to the Members of Groundwork North East

Opinion

We have audited the financial statements of Groundwork North East (the 'charitable parent company') and its subsidiary (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, 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.

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 North East

Independent Auditor's Report to the Members of Groundwork North East

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 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 15), 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 North East

Independent Auditor's Report to the Members of Groundwork North East

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations cluding fraud;
- Reviewing the most recent reports issued by regulators;;
- Reviewing thbaord minutes
- Challenging assumptions and judgements made by management in their significant accountingestimates; 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. This description forms part of our auditor's report.

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

28 November 2025

Date:.....

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

Groundwork North East

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 £	Restricted £	Total 2025 £	Total 2024 £
Income and Endowments from:					
Donations and legacies	3	89,552	-	89,552	83,242
Charitable activities	4	-	7,012,010	7,012,010	7,334,620
Other trading activities	5	980,592	-	980,592	924,107
Investment income	6	83,679	-	83,679	61,324
Other income	7	26,471	-	26,471	17,259
Total Income		<u>1,180,294</u>	<u>7,012,010</u>	<u>8,192,304</u>	<u>8,420,552</u>
Expenditure on:					
Raising funds	8	(786,150)	-	(786,150)	(712,234)
Charitable activities	9	<u>(31,892)</u>	<u>(7,096,429)</u>	<u>(7,128,321)</u>	<u>(7,763,496)</u>
Total Expenditure		<u>(818,042)</u>	<u>(7,096,429)</u>	<u>(7,914,471)</u>	<u>(8,475,730)</u>
Net income/(expenditure)		362,252	(84,419)	277,833	(55,178)
Transfers between funds		(57,455)	57,455	-	-
Other recognised gains and losses					
Other gains/losses		13,120	-	13,120	85,550
(Profit)/loss on sale of tangible fixed assets held for charity's own use		<u>(1,979)</u>	<u>-</u>	<u>(1,979)</u>	<u>-</u>
Net movement in funds		315,938	(26,964)	288,974	30,372
Reconciliation of funds					
Total funds brought forward		<u>3,503,204</u>	<u>1,246,371</u>	<u>4,749,575</u>	<u>4,719,203</u>
Total funds carried forward	23	<u><u>3,819,142</u></u>	<u><u>1,219,407</u></u>	<u><u>5,038,549</u></u>	<u><u>4,749,575</u></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 23.

Groundwork North East

(Registration number: 02702815)

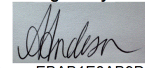
Consolidated Balance Sheet as at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	15	1,638,994	1,643,882
Investments	16	2,195,000	2,195,000
		<u>3,833,994</u>	<u>3,838,882</u>
Current assets			
Stocks	17	10,339	12,673
Debtors	18	1,824,321	2,277,045
Cash at bank and in hand		1,358,950	749,648
		<u>3,193,610</u>	<u>3,039,366</u>
Creditors: Amounts falling due within one year	19	<u>(1,759,840)</u>	<u>(1,871,678)</u>
Net current assets		<u>1,433,770</u>	<u>1,167,688</u>
Total assets less current liabilities		5,267,764	5,006,570
Creditors: Amounts falling due after more than one year	20	<u>(229,215)</u>	<u>(256,995)</u>
Net assets		<u>5,038,549</u>	<u>4,749,575</u>
Funds of the group:			
Restricted		<u>1,219,407</u>	<u>1,246,371</u>
Unrestricted income funds			
Designated funds		2,221,590	2,208,470
General funds		1,597,552	1,294,734
Total unrestricted funds		<u>3,819,142</u>	<u>3,503,204</u>
Total funds	23	<u>5,038,549</u>	<u>4,749,575</u>

The financial statements on pages 19 to 45 were approved by the trustees, and authorised for issue on 25 November 2025 and signed on their behalf by:

Signed by:

E0F3ED3EA968428.....
 A R Thurston
 Trustee

Signed by:

EBAB1E8AB9DA4E3.....
 A J J Anderson
 Trustee

Groundwork North East

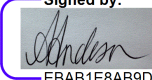
(Registration number: 02702815) Balance Sheet as at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	15	1,531,449	1,561,964
Investments	16	2,195,001	2,195,001
		<u>3,726,450</u>	<u>3,756,965</u>
Current assets			
Debtors	18	1,759,015	2,193,524
Cash at bank and in hand		1,253,943	507,027
		<u>3,012,958</u>	<u>2,700,551</u>
Creditors: Amounts falling due within one year	19	<u>(1,722,474)</u>	<u>(1,739,572)</u>
Net current assets		<u>1,290,484</u>	<u>960,979</u>
Total assets less current liabilities		<u>5,016,934</u>	<u>4,717,944</u>
Creditors: Amounts falling due after more than one year	20	<u>(229,215)</u>	<u>(256,995)</u>
Net assets		<u>4,787,719</u>	<u>4,460,949</u>
Funds of the charity:			
Restricted		<u>1,219,407</u>	<u>1,246,371</u>
Unrestricted income funds			
Designated funds		2,221,590	2,208,470
Unrestricted funds		<u>1,346,722</u>	<u>1,006,108</u>
Total unrestricted funds		<u>3,568,312</u>	<u>3,214,578</u>
Total funds	23	<u>4,787,719</u>	<u>4,460,949</u>

The financial statements on pages 19 to 45 were approved by the trustees, and authorised for issue on 25 November 2025 and signed on their behalf by:

Signed by:

E0F3ED3EA568428.....
 A R Thurston
 Trustee

Signed by:

EBAB1E8AB9DA4E3.....
 A J J Anderson
 Trustee

Groundwork North East

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

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash income		288,974	30,372
Adjustments to cash flows from non-cash items			
Depreciation	15	90,206	76,602
Investment income	6	(83,679)	(61,324)
Revaluation of investments		-	(85,550)
Loss on disposal of fixed assets held for the group's own use	11	1,979	-
		<u>297,480</u>	<u>(39,900)</u>
Working capital adjustments			
Decrease/(increase) in stocks	17	2,334	(1,857)
Decrease/(increase) in debtors	18	452,724	(326,839)
(Decrease)/increase in creditors	19	(113,989)	61,978
Net cash flows from operating activities		<u>638,549</u>	<u>(306,618)</u>
Cash flows from investing activities			
Interest receivable and similar income	6	83,679	61,324
Purchase of tangible fixed assets	15	(90,298)	(40,317)
Sale of tangible fixed assets		3,001	-
Sale of investments		-	80,000
Net cash flows from investing activities		<u>(3,618)</u>	<u>101,007</u>
Cash flows from financing activities			
Repayment of loans and borrowings	19	(25,629)	(24,263)
Net increase/(decrease) in cash and cash equivalents		609,302	(229,874)
Cash and cash equivalents at 1 April		<u>749,648</u>	<u>979,522</u>
Cash and cash equivalents at 31 March		<u><u>1,358,950</u></u>	<u><u>749,648</u></u>

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

Groundwork North East

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

The address of its registered office is: 14 Parsons Court, Welbury Way, Newton Aycliffe, County Durham, DL5 6ZE

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 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 North East 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.

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 surplus of for the financial year of £326,770 (2024 - loss of £6,361).

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.

Groundwork North East

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

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.

Investment income

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

Rental income is recognised once the charity has received the income.

Groundwork North East

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

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.

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.

Groundwork North East

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

Tangible fixed assets

Individual fixed assets 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
Leasehold improvements	over the remaining unexpired term of the lease
Freehold property	over 50 years
Furniture and equipment	over 4 years
Computer and software	over 3 years
Motor vehicles	over 3 years

Investments

Fixed asset investments are stated at cost less provision for diminution in value. Those stated as current assets are stated at the lower of cost and net realisable value.

Investment property is included at open market value, which is updated every five years by an independent, chartered surveyor. Each year, trustees review the valuations in order to identify any impairment that is due.

Stock

Stock and work in progress are valued at the lower of cost and net realisable value.

Groundwork North East

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

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.

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 North East

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.

Financial Instruments

The Trust 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.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2025 £
Donations and legacies;			
Donations from individuals	89,552	-	89,552
	<u>89,552</u>	<u>-</u>	<u>89,552</u>
	Unrestricted funds General £	Restricted funds £	Total 2024 £
Donations and legacies;			
Donations from individuals	83,242	-	83,242
	<u>83,242</u>	<u>-</u>	<u>83,242</u>

4 Income from charitable activities

	Restricted funds £	Total 2025 £
Improve people's prospects	4,254,062	4,254,062
Create better places	1,926,834	1,926,834
Promote greener living and working	831,114	831,114
	<u>7,012,010</u>	<u>7,012,010</u>

Groundwork North East

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

	Restricted funds £	Total 2024 £
Improve people's prospects	4,144,943	4,144,943
Create better places	2,148,370	2,148,370
Promote greener living and working	1,041,307	1,041,307
	<u>7,334,620</u>	<u>7,334,620</u>

5 Income from other trading activities

	Unrestricted funds General £	Total 2025 £
Trading activities		
The Greenhouse Company (Groundwork) Limited	980,592	980,592
	<u>980,592</u>	<u>980,592</u>
	Unrestricted funds General £	Total 2024 £
Trading activities		
The Greenhouse Company (Groundwork) Limited	924,107	924,107
	<u>924,107</u>	<u>924,107</u>

6 Investment income

	Unrestricted funds General £	Total 2025 £
Interest receivable and similar income;		
Interest receivable on bank deposits	11,673	11,673
Income from rents	72,006	72,006
	<u>83,679</u>	<u>83,679</u>
	Unrestricted funds General £	Total 2024 £
Interest receivable and similar income;		
Interest receivable on bank deposits	7,354	7,354
Income from rents	53,970	53,970
	<u>61,324</u>	<u>61,324</u>

Groundwork North East

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

7 Other income

	Unrestricted funds General £	Total 2025 £
Other income	26,471	26,471
	Unrestricted funds General £	Total 2024 £
Other income	17,259	17,259

8 Expenditure on raising funds

a) Costs of trading activities

	Allocated support costs £	Total 2025 £	Total 2024 £
Trading subsidiary	786,150	786,150	712,234

9 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2025 £
Improve people's prospects	3,489,069	678,393	4,167,462
Create better places	1,485,311	288,795	1,774,106
Promote greener living and working	693,513	134,842	828,355
Core	300,057	58,341	358,398
	<u>5,967,950</u>	<u>1,160,371</u>	<u>7,128,321</u>
	Activity undertaken directly £	Activity support costs £	2024 £
Improve people's prospects	3,297,865	682,843	3,980,708
Create better places	2,179,381	451,254	2,630,635
Promote greener living and working	954,515	197,638	1,152,153
	<u>6,431,761</u>	<u>1,331,735</u>	<u>7,763,496</u>

Groundwork North East

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

10 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs £	Other support costs £	Total 2025 £
Staffing	-	449,838	449,838
Transport	-	18,032	18,032
Premises	-	129,519	129,519
Supplies and services	-	305,203	305,203
Legal fees	-	193,172	193,172
Audit fees	16,325	-	16,325
Depreciation	-	48,282	48,282
	<u>16,325</u>	<u>1,144,046</u>	<u>1,160,371</u>
	Governance costs £	Other support costs £	Total 2024 £
Staffing	-	569,554	569,554
Transport	-	15,755	15,755
Premises	-	131,602	131,602
Supplies and services	-	285,263	285,263
Legal fees	-	239,459	239,459
Audit fees	13,500	-	13,500
Depreciation	-	76,602	76,602
	<u>13,500</u>	<u>1,318,235</u>	<u>1,331,735</u>

The Trust initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the three key programme areas delivered in the year. The basis of the apportionment of the costs is pro-rata to the expenditure on each programme area.

Groundwork North East

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

11 Net incoming/outgoing resources

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

	2025 £	2024 £
Audit fees	16,325	13,500
Depreciation of fixed assets	<u>48,282</u>	<u>76,602</u>

12 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 North East

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

13 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	4,389,865	4,368,134
Social security costs	63,043	131,194
Pension costs	30,529	60,137
Compensation payments	25,576	26,281
	<u>4,509,013</u>	<u>4,585,746</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 No	2024 No
Number of staff	<u>142</u>	<u>174</u>

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

	2025 No	2024 No
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£110,001 - £120,000	<u>1</u>	<u>-</u>

The total employee benefits of the key management personnel of the group were £389,949 (2024 - £249,999).

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 North East

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

15 Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2024	1,911,708	632,374	73,605	2,617,687
Additions	-	90,298	-	90,298
Disposals	-	(11,950)	-	(11,950)
At 31 March 2025	<u>1,911,708</u>	<u>710,722</u>	<u>73,605</u>	<u>2,696,035</u>
Depreciation				
At 1 April 2024	364,966	543,106	65,733	973,805
Charge for the year	40,086	46,622	3,498	90,206
Depreciation eliminated on disposals	-	(6,970)	-	(6,970)
At 31 March 2025	<u>405,052</u>	<u>582,758</u>	<u>69,231</u>	<u>1,057,041</u>
Net book value				
At 31 March 2025	<u>1,506,656</u>	<u>127,964</u>	<u>4,374</u>	<u>1,638,994</u>
At 31 March 2024	<u>1,546,742</u>	<u>89,268</u>	<u>7,872</u>	<u>1,643,882</u>

Included within the net book value of land and buildings above is £328,478 (2024 - £366,538) in respect of freehold land and buildings and £1,178,178 (2024 - £1,180,204) in respect of leasehold properties.

Groundwork North East

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

Charity

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2024	1,911,708	433,556	73,605	2,418,869
Additions	-	17,767	-	17,767
At 31 March 2025	1,911,708	451,323	73,605	2,436,636
Depreciation				
At 1 April 2024	364,966	426,206	65,733	856,905
Charge for the year	40,086	4,698	3,498	48,282
At 31 March 2025	405,052	430,904	69,231	905,187
Net book value				
At 31 March 2025	1,506,656	20,419	4,374	1,531,449
At 31 March 2024	1,546,742	7,350	7,872	1,561,964

Included within the net book value of land and buildings above is £328,478 (2024 - £366,538) in respect of freehold land and buildings and £1,178,178 (2024 - £1,180,204) in respect of leasehold properties.

Groundwork North East

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

16 Fixed asset investments

Group

	2025 £	2024 £
Investment properties	<u>2,195,000</u>	<u>2,195,000</u>

Investment properties

	Investment properties £
Cost or Valuation	
At 1 April 2024	<u>2,195,000</u>
Provision	
At 31 March 2025	<u>-</u>
Net book value	
At 31 March 2025	<u>2,195,000</u>
At 31 March 2024	<u>2,195,000</u>

The fair value of the investment properties have been arrived at on the basis of a valuation carried out by Lambert Smith Hampton on 5 March 2024 for all investment properties. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties. The investments in property are held primarily for an investment return. An internal review is undertaken by the trustees annually.

Charity

	2025 £	2024 £
Investment properties	2,195,000	2,195,000
Other investments	<u>1</u>	<u>1</u>
	<u>2,195,001</u>	<u>2,195,001</u>

Groundwork North East

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

Investment properties

	Investment properties £
Cost or Valuation	
At 1 April 2024	<u>2,195,000</u>
Provision	
At 31 March 2025	<u>-</u>
Net book value	
At 31 March 2025	<u>2,195,000</u>
At 31 March 2024	<u>2,195,000</u>

The fair value of the investment properties have been arrived at on the basis of a valuation carried out by Lambert Smith Hampton on 5 March 2024 for all investment properties. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties. The investments in property are held primarily for an investment return. An internal review is undertaken by the trustees annually.

Investment in subsidiary

	Investment in subsidiary £	Total £
Cost or Valuation		
At 1 April 2024	<u>1</u>	<u>1</u>
At 31 March 2025	<u>1</u>	<u>1</u>
Net book value		
At 31 March 2025	<u>1</u>	<u>1</u>
At 31 March 2024	<u>1</u>	<u>1</u>

Details of undertakings

The company's investments at the balance sheet date include an investment in The Greenhouse Company (Groundwork) Limited. Groundwork North East hold 100% of the ordinary share capital of The Greenhouse Company (Groundwork) Limited.

In the year to 31 March 2025 the subsidiary recorded a surplus of £168.463 (2024: £204,208) and had net assets of £250,831 (2024: £288,627).

Groundwork North East

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

17 Stock

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Stocks	<u>10,339</u>	<u>12,673</u>	<u>-</u>	<u>-</u>

18 Debtors

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	731,329	1,023,306	691,549	960,850
Prepayments	135,686	121,558	110,160	100,493
Accrued income	917,306	1,032,181	917,306	1,032,181
Other debtors	<u>40,000</u>	<u>100,000</u>	<u>40,000</u>	<u>100,000</u>
	<u>1,824,321</u>	<u>2,277,045</u>	<u>1,759,015</u>	<u>2,193,524</u>

Groundwork North East

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

19 Creditors: amounts falling due within one year

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Bank loans	27,566	25,415	27,566	25,415
Trade creditors	161,015	409,184	121,059	252,367
Due to group undertakings	-	-	80,627	92,391
Other taxation and social security	58,508	71,341	58,508	71,341
VAT	143,458	93,917	111,092	62,953
Other creditors	24,789	30,055	21,232	27,627
Accruals and deferred income	1,344,504	1,241,766	1,302,390	1,207,478
	<u>1,759,840</u>	<u>1,871,678</u>	<u>1,722,474</u>	<u>1,739,572</u>

Creditors due within one year includes the following liabilities on which security has been given:

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Charity Bank Loan	16,947	15,360	16,947	15,360
Bounce back Loan	10,619	10,055	10,619	10,055
	<u>27,566</u>	<u>25,415</u>	<u>27,566</u>	<u>25,415</u>

20 Creditors: amounts falling due after one year

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Bank loans	<u>229,215</u>	<u>256,995</u>	<u>229,215</u>	<u>256,995</u>

Creditors amounts falling due after more than one year includes the following liabilities on which security has been given:

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Charity Bank Loan	222,510	239,661	222,510	239,661
Bounce back loan	6,705	17,334	6,705	17,334
	<u>229,215</u>	<u>256,995</u>	<u>229,215</u>	<u>256,995</u>

Groundwork North East

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

21 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Within one year	6,096	6,096	4,298	4,298
In two to five years	15,283	21,379	10,773	15,071
	<u>21,379</u>	<u>27,475</u>	<u>15,071</u>	<u>19,369</u>

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 £23,433 (2024 - £60,137).

Contributions totalling £28,879 (2024 - £24,112) were payable to the scheme at the end of the year and are included in creditors.

Groundwork North East

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

23 Funds

Group

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2025 £
Unrestricted funds						
General						
General funds	1,294,734	1,180,294	(818,042)	(57,455)	(1,979)	1,597,552
Designated						
Revaluation reserve	13,470	-	-	-	13,120	26,590
The Greenhouse	2,095,000	-	-	-	-	2,095,000
Trustees Designated Reserve	100,000	-	-	-	-	100,000
	<u>2,208,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,120</u>	<u>2,221,590</u>
Total unrestricted funds	<u>3,503,204</u>	<u>1,180,294</u>	<u>(818,042)</u>	<u>(57,455)</u>	<u>11,141</u>	<u>3,819,142</u>
Restricted funds						
Property Fund - Greencroft						
Woodland Purchase	40,591	-	-	-	-	40,591
Property Fund - Cocker mouth 2						
Market St	17,612	-	-	-	-	17,612
Project funds	-	7,012,010	(7,069,465)	57,455	-	-
Land of Oak and Iron Heritage Centre Fund	1,188,168	-	(26,964)	-	-	1,161,204
	<u>1,246,371</u>	<u>7,012,010</u>	<u>(7,096,429)</u>	<u>57,455</u>	<u>-</u>	<u>1,219,407</u>
Total restricted funds	<u>1,246,371</u>	<u>7,012,010</u>	<u>(7,096,429)</u>	<u>57,455</u>	<u>-</u>	<u>1,219,407</u>
Total funds	<u>4,749,575</u>	<u>8,192,304</u>	<u>(7,914,471)</u>	<u>-</u>	<u>11,141</u>	<u>5,038,549</u>

Restricted - Property funds

Grants were received for the refurbishment of 2 Market Street, Cocker mouth. These are being written off in line with the depreciation policy of these assets.

The Greenhouse project represents funding for the construction of The Greenhouse, an investment asset. The restriction is reducing over a period of 15 years. The transfer from the restricted fund relates to the amount being reallocated to the designated fund, which together total the value of the investment.

The Greencroft Woodlands Purchase Fund is funding received to purchase woodland adjacent to the Greencroft Industrial Estate, Annfield Plain.

Groundwork North East

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

BBO Development Funding

Spending is restricted to future delivery of the Building Better Opportunities (BBO) programme.

Land of Oak & Iron Heritage Centre fund

The construction of the Land of Oak & Iron Heritage Centre was completed in September 2018. The funds equals the net book value of the asset.

Designated Fund - The Greenhouse

The fund represents the remaining unrestricted balance of the investment property. The transfer relates to the amount being reallocated from the restricted fund, which together total the value of the investment.

Designated Fund - Trustees Designated Fund

The Trustees Designated Fund is set aside in relation to an ongoing review of pay structures across the Trust.

Project funds

Project funds represent funding to enable specific projects to be undertaken in the year. Included in the charitable activities there are a number of funders and specific projects that need to be referred to specifically. These project funds are held in restricted reserves. The balance on Project funds is the overall net position on over 200 individual projects. The funds that require separate analysis are shown below:

Project	Funder	Balance B/Fwd £	Income £	Expenditure £	Balance C/Fwd £
River Tees Rediscovered	Heritage Lottery Fund	(55,384)		783	(54,601)
BBO - Step Forward Tees Valley	Big Lottery / European Social Fund	26,991			26,991
BBO - Reaching Out Accross Durham	Big Lottery / European Social Fund	37,386	(54,440)		(17,054)
Eden Hill Young Peoples Project	Horden Youth and Community Centre	78,025	74,493	(117,736)	34,782
Norton Grange Lottery Funding	Heritage Lottery Fund	7,704	400		1
Big Local Easington	Local Trust	26,055	100,789	(84,760)	42,084
RC North East & Cumbria Region	National Lottery Community Fund	26,153		(14,662)	11,491
Western Perimeter Path	Livin Housing Limited	2,883	(1,506)	(1,216)	161
Reaching Out Across Durham (2)	UK Shared Prosperity Fund	(154,823)	154,822	(322,507)	(118,449)
Durhamworks DD-D387	Durham CC/ European Social Fund	(64,331)	64,331	(533)	(533)
Distington Big Local	Local Trust	19,664	145,765	(121,851)	42,579

Groundwork North East

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

Big Local Gateshead-TW394	Local Trust	2,062		(2,401)	(339)
Millions Hours Fund-D404	National Lottery Community Fund	27,130	48,793	(27,938)	47,985

The above overdrawn projects are paid in arrears and the balance was paid to Groundwork post year end.

24 Analysis of net assets between funds

Group

	Unrestricted		Restricted	Total funds
	General	Designated		
	£	£	£	£
Tangible fixed assets	392,997	26,590	1,219,407	1,638,994
Fixed asset investments	100,000	2,095,000	-	2,195,000
Net current assets/(liabilities)	1,333,770	100,000	-	1,433,770
Creditors over 1 year	(229,215)	-	-	(229,215)
Total net assets	<u>1,597,552</u>	<u>2,221,590</u>	<u>1,219,407</u>	<u>5,038,549</u>

	Unrestricted		Restricted	Total funds at 31 March 2024
	General	Designated		
	£	£	£	£
Tangible fixed assets	384,041	13,470	1,246,371	1,643,882
Fixed asset investments	100,000	2,095,000	-	2,195,000
Net current assets/(liabilities)	1,067,688	100,000	-	1,167,688
Creditors over 1 year	(256,995)	-	-	(256,995)
Total net assets	<u>1,294,734</u>	<u>2,208,470</u>	<u>1,246,371</u>	<u>4,749,575</u>

25 Analysis of net funds

Group

	At 1 April 2024	Financing cash flows	At 31 March 2025
	£	£	£
Cash at bank and in hand	749,648	609,302	1,358,950
Debt due within one year	(25,415)	(2,151)	(27,566)
Debt due after more than one year	(256,995)	27,780	(229,215)
Net debt	<u>467,238</u>	<u>634,931</u>	<u>1,102,169</u>

Groundwork North East

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

26 Related party transactions

The Trust is part of a national network of trusts being part of the Groundwork Federation. Any trading activities with other trusts are at arm's length on normal commercial terms.

The Trustees represent local authorities, businesses, community & voluntary organisations. All transactions with these bodies are on an arm's length basis.

The Greenhouse Company (Groundwork) Limited.

Groundwork North East provided management services and invoiced £24,000 (2024-£24,000).

Other Groundwork Trusts

The following transactions occurred with other Groundwork Trusts during the year;

Groundwork Trust	Sales in Year	Purchases in year	Amounts due/(owed) at year end
	£	£	£
Groundwork UK	204,599	32,028	5,476
Groundwork South and North Tyneside	42,065	213,548	
Groundwork London	-	10,919	
Groundwork East	1,711	-	
Groundwork Yorkshire	147,144	7,493	(6,180)
Groundwork Ten North East Limited	1,733	-	(27)
Groundwork Cheshire, Lancashire & Merseyside	43,064		

27 Contingent liabilities

On 15 March 2018 a legal charge was registered against Groundwork North East by the Trustees of The National Heritage Memorial Fund regarding a grant of £697,700 awarded for the Land of Oak and Iron project.

Groundwork North East

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 £	Restricted £	Total 2024 £
Income and Endowments from:				
Donations and legacies	3	83,242	-	83,242
Charitable activities	4	-	7,334,620	7,334,620
Other trading activities	5	924,107	-	924,107
Investment income	6	61,324	-	61,324
Other income	7	17,259	-	17,259
Total income		<u>1,085,932</u>	<u>7,334,620</u>	<u>8,420,552</u>
Expenditure on:				
Raising funds	8	(712,234)	-	(712,234)
Charitable activities	9	<u>(1,086,008)</u>	<u>(6,677,488)</u>	<u>(7,763,496)</u>
Total expenditure		<u>(1,798,242)</u>	<u>(6,677,488)</u>	<u>(8,475,730)</u>
Net (expenditure)/income		(712,310)	657,132	(55,178)
Transfers between funds		721,077	(721,077)	-
Other recognised gains and losses				
Other gains/losses		<u>85,550</u>	<u>-</u>	<u>85,550</u>
Net movement in funds		94,317	(63,945)	30,372
Reconciliation of funds				
Total funds brought forward		<u>3,408,887</u>	<u>1,310,316</u>	<u>4,719,203</u>
Total funds carried forward	23	<u><u>3,503,204</u></u>	<u><u>1,246,371</u></u>	<u><u>4,749,575</u></u>

Accounts

Company registration number: 02702815

Charity registration number: 1017706

GROUNDWORK NORTH EAST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2024

Groundwork North East

Contents

Chairman's Statement	1
Trustees' Report	2 to 12
Independent Auditors' Report	13 to 15
Consolidated Statement of Financial Activities	16
Consolidated Balance Sheet	17
Balance Sheet	18
Consolidated Statement of Cash Flows	19
Notes to the Financial Statements	20 to 40
Comparative Consolidated Statement of Financial Activities	41

Groundwork North East

Chairman's Statement

During the 2023/24 financial year Groundwork North East and Cumbria continued to operate within a challenging external environment. The cost of living crisis and legacy of the Covid lockdowns has particularly hit those who we reach through our community programmes, and our nature based solutions activity is made more challenging by the increasingly acute environmental challenges facing us all.

Our teams also had to adapt to the changing political landscape within which we operate, with the reorganisation of local government in Cumbria and preparations for the launch of the North East Combined Authority.

During the year the Board signed off the 2023 - 2028 five year strategy, with five priority areas which are aligned to those of the wider Groundwork Federation:

1. Protecting & Enhancing Green & Blue Spaces
2. Delivering Green Skills & Jobs
3. Promoting Greener Living
4. Empowering Communities
5. Developing new trading activity to provide additional income to support our charitable objects.

The Trustees would like to express their gratitude and thanks to our Groundwork staff and volunteers for the way in which they have continued to develop and deliver successful programme of activity in line with our strategic priorities in the context of the challenging external environment. As we developed and delivered our programme, we continued to work in partnership with our sister Trust, Groundwork South and North Tyneside and played an active role in the wider Groundwork Federation.

Our trading company's businesses continued to perform well during the year, with high occupancy in The Greenhouse and the Land of Oak and Iron Heritage Centre continuing to provide a high-quality experience to visitors.

Key achievements are summarised in the Achievements and Performance section of the Trustees' report.

I would like to thank my fellow trustees, who give their time so generously to support our organisation, and Groundwork's employees and volunteers who continue to inspire through their commitment and creativity: the greatest strength of any organisation is its people.



Andrew Thurston 05 Nov 2024 20:57:34 GMT (UTC +0)

A R Thurston
Trustee

Groundwork North East

Trustees' Report

Report of the Trustees

The trustees are pleased to present their Annual Report, together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 March 2024, which are also prepared to meet the requirements for a directors' report and accounts for the Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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.

Our purposes and activities

The charity's purposes and activities are set out below. The activities are undertaken to further the Trust's charitable purposes for the public benefit. The trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission and the trustees have paid due regard to this guidance in deciding what activities the Trust should undertake.

The company's charitable objects, as defined in the Memorandum & Articles of Association are:

- a. To promote the conservation, protection and improvement of the physical and natural environment anywhere in the North East and Cumbria regions of England.
- b. To provide facilities in the interests of recreation and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting to the North East and Cumbria.
- c. To advance the public education in environmental matters and of the ways of better conserving, protecting and improving the same whatsoever.
- d. To promote, for the public benefit, urban and rural regeneration in areas of social and economic deprivation.

What we do to meet our charitable objectives To achieve these charitable objectives we deliver a diverse range of projects and programmes across the North East and Cumbria, under one of our three strategic programme areas.

- **create better places-** by making communities greener, safer and healthier and by enabling people to work together to bring about change in their local area.
- **improve people's prospects-** by increasing the confidence, skills, wellbeing and employability of those struggling in education or out of work.
- **promote greener living and working-** by helping people and businesses reduce their environmental impact, improve their health, cut waste and save money.

Our ambition is to build our visibility, our reputation and our resource base so that we can be a significant, radical force for driving change in attitudes, behaviours, places and prospects in the local communities that need it most.

Within our strategic programme areas, over the next five years to 2028 we will focus on the following strategic growth areas:

Protecting and enhancing green and blue spaces

Groundwork North East

Trustees' Report

Delivering green skills and jobs

Promoting greener living

Empowering communities

Developing new trading activity

We will align our programme with emerging policy framework from central government and local stakeholders' strategies and plans. We will continue improving our own capability and resilience to ensure we are putting maximum resource into our front-line delivery and invest in the right skills to improve the quality of our services and management.

Our Volunteers

We are extremely grateful for the assistance of 537 volunteers who have been actively involved on a variety of projects, providing 14,500 hours of volunteer time, energy and skills to help us reach more beneficiaries and increase our positive impact on the environment.

Achievements and performance

Throughout the year Groundwork North East and Cumbria delivered a high volume of short- and long-term projects. Short term projects are defined as those which last less than one year.

Creating better places

- Implemented 85 biodiversity improvement actions including: addressing habitat and biodiversity loss
- Improved 61,000 square meters of land
- 106 sites improved, including public parks, community areas and schools

Our *Revitalising Our Estuaries* project delivered additional improvements to the Wansbeck Estuary and the riverside greenspaces. *EcoNorth* identified issues such as sand dune degradation including loss of native species to invasive sea buckthorn, Japanese Rose and Japanese knotweed. In total 30 hectares of woodland were improved, featuring five sections of boardwalk for better access. Volunteers from Coca-Cola attended engagement activities to address habitat disturbances and participate in community enhancement activities.

The *Wild Oysters* programme has been successfully delivered since 2023. The project team undertook educational visits and plans to establish a sustainable reef in the North Sea. The programme aims to improve the health of Britain's coastal waters by restoring native wild oysters. A newly created reef, the size of a football pitch, home to 10,000 European native oysters was created. 860 school students have been engaged in site visits, workshops and school sessions. 200 volunteers have engaged on oyster monitoring and reef deployment.

Groundwork worked with Beyond Housing to maintain 16 sites across Redcar and Cleveland. The supervisor and six operatives who are fully trained in horticulture worked on 89,000 square meters of grass, 2,100 square meters of shrubs and 600 square meters of hedges.

Improving people's prospects

- Supported 984 individuals to transition into education, training or employment
- Attained 143 formal qualifications

Groundwork North East

Trustees' Report

- Provided 2520 individuals with personalised coaching or mentoring

Northern Directions provided opportunities to young people not in education, employment or training and aged 16-24 to progress towards the labour market, further education or training. Free tailored employability and personal development packages were available for a diverse range of participants, to support them in overcoming barriers. This comprehensive programme has supported 562 young people with coaching, mentoring, job matching, application support, interview preparation and training in basic skills including health and safety. Mary Blackwell, Project Manager said "It has been amazing to see how this project has developed and supported young people in the region. The team worked hard to reach young people in need of this support and due to the success of the delivery we were able to get further funding to continue this work".

Durham Works, a programme for schools offered specialised support to 15-16 years olds, navigating decisions about education, training and employment after Year11. It included 1:1 guidance, group activities and school events with local business representatives. The programme supported 365 young people, with 347 individuals transitioning into education training and employment. Durham Works helped young people identify their goals, explore necessary skills and qualifications to find suitable pathways towards their aspirations, providing assistance along the way. 305 young people reported that the programme improved their mental health and wellbeing.

Choices Cumbria was a programme that helped 866 individuals overcome complex barriers to achieve their goals and pathways to employment. It provided tailored support to address challenges such as lack of confidence, social isolation, health issues and lack of work experience or qualifications. 209 economically inactive people were supported into employment. Participants said "I never thought I would feel as I do today after the help from Choices" and "This programme helped me get out of the house and I am more comfortable with new people."

Promoting greener living and working

- Identification of 16,263kg CO₂e (carbon dioxide equivalent) in potential domestic carbon saving
- Offered 4600 free impartial advice, supporting people to save energy and reduce bills

The *Green Social Prescribing Network* was a pilot programme led by Groundwork to understand and promote the benefits of green social prescribing. The aim was to promote the benefits for health and wellbeing ensuring those with health inequalities have equal access to opportunities by linking existing social prescribers with activity providers. Groundwork hosted seven network events, with six host organisations and 25 activity providers. In total, 140 social prescribers and activity providers attended/participated. Services were mapped and funding was accessed to deliver activities. 13 projects secured funding through the NHS green social prescribing development fund.

Green Doctor has continued to help households across the region to stay warm, healthy and to save on energy bills. Offering 4600 households free impartial advice on energy savings, reducing heat loss, improving water efficiency which has resulted in reducing the cost of living. One Green Doctor service user said "I found dealing with the energy company really stressful. I really appreciated [my Green Doctor's] help"

Financial Review

The Trust continues to build a positive and robust balance sheet, with total funds of £4,750k (2023: £4,719k).

Groundwork North East

Trustees' Report

Although turnover has reduced slightly, the total number of projects delivered has increased from 195 (2021/22) to 234 (2022/23). This reflects an external funding environment that supports an increasing number of smaller and targeted interventions.

Our principal sources of funding were from the UK Shared Prosperity Fund, Environment Agency, Heritage Lottery and via Trading.

Consolidated cash balances decreased slightly in the year to £750k, (2022/23: £979k).

The Greenhouse business centre continues to house a range of tenants from start up to SME's, as well as providing a high level of quality business meeting space. Occupancy rates have remained high despite concerns regarding changes to working practices including home working.

The Land of Oak and Iron Heritage Centre continues to grow in terms of engagement and turnover, establishing itself as a go to destination catering for a wide range of visitors all year round.

Some of our funders require details to be included in our Financial Statements, which is provided as part of note 23.

Investment powers and policy

Under the Memorandum and Articles of Association, the Trust has the power to make any investment which the Board see fit.

Reserves Policy

Groundwork NE & Cumbria Trustees and executive management team have reviewed the Reserves Policy and the Board has agreed that unrestricted reserves are required for the following reasons:

- a. Financial impact of Risk:
- b. Working Capital:
- c. Commitments and long-term plans:
 - To allow the Trust to absorb short term setbacks such as loss or delays in funding;
 - To provide funding to cover unforeseen downturn in activity, allowing alternative activity to be generated and/or a planned downsizing of activity;
 - To allow for the management of risks in funding of growth opportunities;
 - To cover any contractual obligations required such as redundancy, TUPE costs, extended liabilities (re-payments)
 - To finance working capital needs, such as delays in receipts and to fund the time delays between developing projects, obtaining approval and funds being received;
 - To cover the working capital required to fund retrospective payment terms
 - To enable the Trust to maintain target reserves against anticipated low points of actual reserves
 - To fund new business development plans, such as new and improved delivery services for the Trust
 - To continue to maintain Trust buildings and sites to a good standard

Groundwork North East

Trustees' Report

- To fund development of new systems and structures to support improved communications, research, quality and business management
- To fund specific business case led initiatives that lead to furtherance of the Trust's objectives.
- Initial specific funding is set aside to deliver the Trust's Carbon Reduction Plan, through investing in projects that:
 - Reduce energy consumption e.g. installation of solar power;
 - Investment in trust owned vehicles that rely less on fossil fuels
 - Incentivising staff to rely less on transport that uses fossil fuels whilst commuting and undertaking business travel
- Allow changes to be made to the way we do business' and in so doing reduce the impact on the environment

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

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

Balancing the above and taking account of guidance published by the charity Commission, we have calculated a target Reserves value as £1,490k. This is a risk and cost-based approach;

Financial risk - £850k

Working capital - £430k

Commitment to long-term plans - £210k

The current Reserves, as of 31st March 2024, is calculated as:

Total unrestricted funds £3,503,204

Less tangible fixed assets for charity use (£2,592,511)

Total free reserves £910,693

The Trustees and management will seek to achieve and maintain the target level of Reserves over the coming years.

Funds

The Trust maintains the following funds:

Restricted Funds

Projects

The Greenhouse property

Future delivery of specific projects

Relating to the building of the Greenhouse Business Centre

Groundwork North East

Trustees' Report

Greencroft Woodland Purchase	Purchase of the woodland
Cockermouth property	Funding used for property refurbishments
Land of Oak and Iron Heritage Centre	Relates to the capital spend on the Heritage Centre, the fund equals the net book value of the asset at the end of the year.

Designated Funds

Business Development	Future development costs and business opportunities
Projects Surplus from projects	To be used in programme delivery
The Greenhouse	Unrestricted balance of the Greenhouse Investment property

Going Concern

In the year to 31 March 2024, there was a net surplus in the year of £30k for the Group. General unrestricted funds showed a deficit of £627k. The Trustees have reviewed the Trust Business Plan for 2024 - 2025, targeting a surplus of £107k. The business plan is sufficient to secure the immediate future of the charity for at least the next 12 to 18 months. On this basis, we consider that the Trust is a going concern.

Plans for the future

The 2024/25 business plan has a projected turnover of £9M with a surplus of £107k. This has been structured around our five strategic growth areas as set out in GNEC's Strategic Plan 2023-28:

- Protecting and enhancing green and blue spaces
- Delivering green skills and jobs
- Promoting greener living
- Empowering Communities
- Developing new trading activity

Each growth area aligns with emerging policy frameworks from central government and local stakeholder strategies and plans, encompassing poverty, inclusivity and the environment. Each growth area also builds upon the delivery and positioning achieved through our principal operational themes.

- *Nature Based Solutions (NBS)* – We will continue to lead the way with innovative projects to improve biodiversity and connect people with nature. A key priority is to look at the ecological benefits and community impact, using our data to support the growth of NBS to attract a wider audience and increase project income.
- *Green Team and Land Management* – Providing opportunities for local communities to volunteer and link in with our Youth, Employment and skills programme. We will continue to provide hands on experiences for individuals to gain qualifications.

Groundwork North East

Trustees' Report

- *Energy Efficiency* – Through our Green Doctors and Retrofit advisors we will continue to support the households to reduce their energy consumption by operating a traditional but flexible model of home visits and telephone contact. Our Green Doctors programme continues to grow its portfolio offering a basic level of energy efficiency advice to all and continue to grow our knowledge and expertise in Retrofit.

- *Youth Work* – We will empower young people to feel a part of their communities through programmes such as Green Influencers. We will listen to what they want to achieve and support them to seek the change they wish to see happen. We will engage to ensure all young people have equal access in having the opportunity and ability to shape their own futures.

- *Employment and Skills* - Following a person-centred approach and acting as a form of 'match maker' we will support individuals to build capacity, capacity and skills to reach their personal ambition and goals, whilst promoting our Green agenda into all basic training we offer.

- *Health and wellbeing* - Physical health and mental wellbeing are a part of a thread that runs through all GNEC projects. We will provide a holistic community approach to improve experiences for people and the environment they live in which we will do by enhancing community green spaces, connecting people, reducing isolation, improving skills and giving people a sense of purpose

We will continue to focus our work in areas of greatest need across the North East and Cumbria, helping people in hardship and isolation; building the green economy, connecting those who need it most with nature and helping people and places respond and adapt to climate change.

Our business plan enables us to focus on priority areas to support sustainable growth and adapt to a fast-paced changing world. We plan to maintain our areas of strength whilst building and/or improving other area as needed. This will support the organisation to build and retain skills and committed teams and develop systems and facilities that are fit for purpose. Our priorities include:

- People
- Marketing
- Quality and Learning
- Net Zero
- Finance

We will strive to develop our financial position and drive income diversification, generating more flexible funds that we can use to deliver our local programmes. We will do this by:

- Keeping our overhead costs low to ensure discretionary spending is focused on supporting local delivery
- Continuing to make strides in achieving our reserves policy to sustain our charitable operations
- Using our financial resources to support our business, increasing our resilience, diversifying income streams and maximising community impact.

Groundwork North East

Trustees' Report

Trading Activities

The Greenhouse Environmental Business Centre in Annfield Plain was established as an eco-Centre in 2005 and provides high quality facilities for our tenants. With an on-site wind turbine, c70% of electricity used in the building was generated from this facility. The environmental credentials of the building will continue to be improved and where relevant, leading technologies to cement this unique proposition in the area will be continued. This includes a significant investment in improving the mobile phone coverage within the building for the benefit of tenants.

At our Land of Oak and Iron Heritage Centre in Winlaton Mill, we are proud to promote and celebrate local heritage and history of the Derwent Valley and surrounding areas. The centre attracts significant visitor numbers from the local population due to the convenience of the site and amenities provided. The centre continues to engage through on site events and an active social media presence. A quality food and drink offer is constantly being updated to encourage repeat visits. Further investment is scheduled to extend the service area to reduce waiting times and increase turnover.

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and executive officers serving during the year and since the year end were as follows:

Members:	A Thurston (Chair)	
	A Anderson	
	D Pearce	
	J Pritchard	
	M Schooler	
	H Simmons	
	J Davison	(appointed September 2023)
	Z Richardson	(appointed October 2023)
	S Neill	(appointed October 2023)
	M J U Houston	(appointed October 2023)
	S F Cole	(appointed October 2023)
	J Parkin	(appointed October 2023)
	T Case	(resigned 1 June 2023)
	Sir P Ennals	(resigned March 2024)

Executive Officers:

Chief Executive Officer	S Roberts
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Company Secretary:	S Roberts
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Company Number:	02702815
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Charity Number:	1017706
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Registered Office:	14 Parsons Court Welbury Way Newton Aycliffe Co. Durham
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Groundwork North East

Trustees' Report

DL5 6ZE

Statutory Auditor:

Azets Audit Services
Regent Centre
Newcastle Upon Tyne
Gosforth
NE3 3LS

Bankers:

NatWest Bank plc
29 Newgate Street
Co Durham
DL14 7ET

Structure, Governance and Management

Governing Document

The Trust is a registered charity and a company limited by guarantee and is governed by its Memorandum and Articles of Association.

The Trust is part of a national federation of independent Trusts, including the Groundwork national office and we continue to play a leading role in the development of Groundwork in the UK. Each Groundwork trust operates independently with their local partners to improve people's prospects, create better places and promote greener living and working.

Appointment of trustees

Trustees who are also members of the Company serve a term to a maximum of three years and can be appointed for further terms subject to approval by the Board.

Trustee induction and training

Trustees meet with the Chief Executive and Chairman for an introduction to the Trust. Trustees are invited and encouraged to sit on Board Committees.

Organisation

The Board of Trustees, which can have up to 15 members, administer the charity. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity.

During this financial year there were four meetings of the full Board, which received reports from committees which also met quarterly:

- **Finance & Corporate Services Committee** - Oversees the financial, personnel and health and safety activities of the Trust, recommend financial strategy to the Board and ensure that robust systems of financial management are in place.
- **Strategic & Business Development Committee** - Develops the Trust's forward Strategic and Business plans making recommendations to the Board via the Finance & Corporate Services Committee on specific opportunities.

Groundwork North East

Trustees' Report

- **Business Controls, Systems and Compliance Committee** – Oversees the Trust implementation of non-financial compliance, policies and procedures required to meet legal compliance, and regulatory requirements with regards Health & Safety Data Protection and Safeguarding.
- **Trading Board** – oversees commercial and income generating objectives at The Greenhouse Business Centre and the Land of Oak and Iron Heritage Centre.

In addition to the formal Trustee committees, in line with our commitment to youth participation our Youth of Today meet throughout the year. The objective of the group is to provide a platform for young voices to help inform the way we go about our work and that we are being evidenced based in our interventions.

At each meeting of the Board, presentations from areas of the business are received. Throughout the year presentations from staff on projects in the Youth Employment Initiative, Land & Communities Projects and an overview of the Social Enterprise businesses were made.

Our close working relationship with Groundwork South & North Tyneside continues to operate well within the organisation. The Business Controls, Systems and Compliance Committee remains a joint Committee, with representation from Trustees and Executives of both Trusts and includes cross working between the Trusts in specific operational areas such as Finance, HR, Health & Safety and Facilities. The Chairs of Groundwork North East & Cumbria and Groundwork South & North Tyneside are Trustees of both Trusts.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other financial benefit from their work with the charity.

The Trust is part of a national network of independent trusts known as the Groundwork Federation and the Chair of Groundwork North East & Cumbria is a member of the Federation Board.

The Trust has one wholly owned subsidiary company,

The Greenhouse Company (Groundwork) Limited;

Details of any related party transactions are disclosed in Note 26 to the accounts.

Groundwork North East

Trustees' Report

Statement of trustees' responsibilities

The trustees (who are also the directors of Groundwork North East 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group 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 accounting standards, comprising FRS 102 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 parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

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 05/11/2024.. and signed on its behalf by:



Andrew Thurston 05 Nov 2024 20:57:34 GMT (UTC +0)

A R Thurston
Trustee

Groundwork North East

Independent Auditor's Report to the Members of Groundwork North East

Opinion

We have audited the financial statements of Groundwork North East (the 'charitable parent company') and its subsidiary (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, 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 North East

Independent Auditor's Report to the Members of Groundwork North East

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 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 12), 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:

- 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;

Groundwork North East

Independent Auditor's Report to the Members of Groundwork North East

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. This description forms part of our auditor's report.

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 Nov 2024 14:42:09 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: 05/11/2024.....

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

Groundwork North East

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 £	Restricted £	Total 2024 £	Total 2023 £
Income and Endowments from:					
Donations and legacies	3	83,242	-	83,242	22,992
Charitable activities	4	-	7,334,620	7,334,620	8,559,793
Other trading activities	5	924,107	-	924,107	787,098
Investment income	6	61,324	-	61,324	219,645
Other income	7	17,259	-	17,259	62,686
Total Income		<u>1,085,932</u>	<u>7,334,620</u>	<u>8,420,552</u>	<u>9,652,214</u>
Expenditure on:					
Raising funds	8	(712,234)	-	(712,234)	(668,049)
Charitable activities	9	<u>(1,086,008)</u>	<u>(6,677,488)</u>	<u>(7,763,496)</u>	<u>(8,890,849)</u>
Total Expenditure		<u>(1,798,242)</u>	<u>(6,677,488)</u>	<u>(8,475,730)</u>	<u>(9,558,898)</u>
Net (expenditure)/income		(712,310)	657,132	(55,178)	93,316
Transfers between funds		721,077	(721,077)	-	-
Other recognised gains and losses					
Other gains/losses		<u>85,550</u>	<u>-</u>	<u>85,550</u>	<u>-</u>
Net movement in funds		94,317	(63,945)	30,372	93,316
Reconciliation of funds					
Total funds brought forward		<u>3,408,887</u>	<u>1,310,316</u>	<u>4,719,203</u>	<u>4,625,887</u>
Total funds carried forward	23	<u><u>3,503,204</u></u>	<u><u>1,246,371</u></u>	<u><u>4,749,575</u></u>	<u><u>4,719,203</u></u>

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

The funds breakdown for 2023 is shown in note 23.

Groundwork North East

(Registration number: 02702815)

Consolidated Balance Sheet as at 31 March 2024

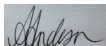
	Note	2024 £	2023 £
Fixed assets			
Tangible assets	15	1,643,882	1,779,620
Investments	16	<u>2,195,000</u>	<u>2,190,000</u>
		<u>3,838,882</u>	<u>3,969,620</u>
Current assets			
Stocks	17	12,673	10,816
Debtors	18	2,277,045	1,850,206
Cash at bank and in hand		<u>749,648</u>	<u>979,522</u>
		3,039,366	2,840,544
Creditors: Amounts falling due within one year	19	<u>(1,871,678)</u>	<u>(1,822,672)</u>
Net current assets		<u>1,167,688</u>	<u>1,017,872</u>
Total assets less current liabilities		5,006,570	4,987,492
Creditors: Amounts falling due after more than one year	20	<u>(256,995)</u>	<u>(268,289)</u>
Net assets		<u>4,749,575</u>	<u>4,719,203</u>
Funds of the group:			
Restricted		<u>1,246,371</u>	<u>1,310,316</u>
Unrestricted income funds			
Designated funds		2,208,470	2,122,920
General funds		<u>1,294,734</u>	<u>1,285,967</u>
Total unrestricted funds		<u>3,503,204</u>	<u>3,408,887</u>
Total funds	23	<u>4,749,575</u>	<u>4,719,203</u>

The financial statements on pages 16 to 41 were approved by the trustees, and authorised for issue on 05/11/2024 and signed on their behalf by:



Andrew Thurston 05 Nov 2024 20:57:34 GMT (UTC +0)

A R Thurston
Trustee



Amber Anderson 06 Nov 2024 11:55:16 GMT (UTC +0)

A J J Anderson
Trustee

Groundwork North East

(Registration number: 02702815) Balance Sheet as at 31 March 2024

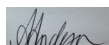
	Note	2024 £	2023 £
Fixed assets			
Tangible assets	15	1,561,964	1,696,769
Investments	16	<u>2,195,001</u>	<u>2,190,001</u>
		<u>3,756,965</u>	<u>3,886,770</u>
Current assets			
Debtors	18	2,193,524	1,919,187
Cash at bank and in hand		<u>507,027</u>	<u>691,588</u>
		2,700,551	2,610,775
Creditors: Amounts falling due within one year	19	<u>(1,739,572)</u>	<u>(1,713,775)</u>
Net current assets		<u>960,979</u>	<u>897,000</u>
Total assets less current liabilities		4,717,944	4,783,770
Creditors: Amounts falling due after more than one year	20	<u>(256,995)</u>	<u>(268,289)</u>
Net assets		<u>4,460,949</u>	<u>4,515,481</u>
Funds of the charity:			
Restricted		<u>1,246,371</u>	<u>1,310,316</u>
Unrestricted income funds			
Designated funds		2,208,470	2,122,920
Unrestricted funds		<u>1,006,108</u>	<u>1,082,245</u>
Total unrestricted funds		<u>3,214,578</u>	<u>3,205,165</u>
Total funds	23	<u>4,460,949</u>	<u>4,515,481</u>

The financial statements on pages 16 to 41 were approved by the trustees, and authorised for issue on 05/11/2024.. and signed on their behalf by:



Andrew Thurston 05 Nov 2024 20:57:34 GMT (UTC +0)

A R Thurston
Trustee



Amber Anderson 06 Nov 2024 11:55:16 GMT (UTC +0)

A J J Anderson
Trustee

Groundwork North East

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

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash income		30,372	93,316
Adjustments to cash flows from non-cash items			
Depreciation	15	76,602	61,215
Investment income	6	(61,324)	(219,645)
Revaluation of investments		<u>(85,550)</u>	<u>-</u>
		(39,900)	(65,114)
Working capital adjustments			
(Increase)/decrease in stocks	17	(1,857)	393
(Increase)/decrease in debtors	18	(326,839)	387,662
Increase/(decrease) in creditors	19	<u>61,978</u>	<u>(437,309)</u>
Net cash flows from operating activities		<u>(306,618)</u>	<u>(114,368)</u>
Cash flows from investing activities			
Interest receivable and similar income	6	61,324	219,645
Purchase of tangible fixed assets	15	(40,317)	(109,149)
Sale of investments		<u>80,000</u>	<u>-</u>
Net cash flows from investing activities		101,007	110,496
Cash flows from financing activities			
Repayment of loans and borrowings	19	<u>(24,263)</u>	<u>(26,077)</u>
Net decrease in cash and cash equivalents		(229,874)	(29,949)
Cash and cash equivalents at 1 April		<u>979,522</u>	<u>1,009,471</u>
Cash and cash equivalents at 31 March		<u><u>749,648</u></u>	<u><u>979,522</u></u>

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

Groundwork North East

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

The address of its registered office is: 14 Parsons Court, Welbury Way, Newton Aycliffe, County Durham, DL5 6ZE

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 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 North East 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.

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 loss after tax for the financial year of £6,361 (2023 - surplus of £93,316).

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.

Groundwork North East

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

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.

Investment income

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

Rental income is recognised once the charity has received the income.

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.

Groundwork North East

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

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.

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 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
Leasehold improvements	over the remaining unexpired term of the lease
Freehold property	over 50 years
Furniture and equipment	over 4 years
Computer and software	over 3 years
Motor vehicles	over 3 years

Investments

Fixed asset investments are stated at cost less provision for diminution in value. Those stated as current assets are stated at the lower of cost and net realisable value.

Investment property is included at open market value, which is updated every five years by an independent, chartered surveyor. Each year, trustees review the valuations in order to identify any impairment that is due.

Stock

Stock and work in progress are valued at the lower of cost and net realisable value.

Groundwork North East

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

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.

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 North East

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.

Financial Instruments

The Trust 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.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2024 £
Donations and legacies;			
Donations from individuals	83,242	-	83,242
	<u>83,242</u>	<u>-</u>	<u>83,242</u>
	Unrestricted funds General £	Restricted funds £	Total 2023 £
Donations and legacies;			
Donations from individuals	22,992	-	22,992
	<u>22,992</u>	<u>-</u>	<u>22,992</u>

4 Income from charitable activities

	Restricted funds £	Total 2024 £
Improve people's prospects	4,144,943	4,144,943
Create better places	2,148,370	2,148,370
Promote greener living and working	1,041,307	1,041,307
	<u>7,334,620</u>	<u>7,334,620</u>

Groundwork North East

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

	Restricted funds £	Total 2023 £
Improve people's prospects	6,003,356	6,003,356
Create better places	2,102,772	2,102,772
Promote greener living and working	453,665	453,665
	<u>8,559,793</u>	<u>8,559,793</u>

5 Income from other trading activities

	Unrestricted funds General £	Total 2024 £
Trading activities		
The Greenhouse Company (Groundwork) Limited	924,107	924,107
	<u>924,107</u>	<u>924,107</u>
	Unrestricted funds General £	Total 2023 £
Trading activities		
The Greenhouse Company (Groundwork) Limited	787,098	787,098
	<u>787,098</u>	<u>787,098</u>

6 Investment income

	Unrestricted funds General £	Total 2024 £
Interest receivable and similar income;		
Interest receivable on bank deposits	7,354	7,354
Income from rents	53,970	53,970
	<u>61,324</u>	<u>61,324</u>
	Unrestricted funds General £	Total 2023 £
Interest receivable and similar income;		
Interest receivable on bank deposits	2,423	2,423
Income from rents	217,222	217,222
	<u>219,645</u>	<u>219,645</u>

Groundwork North East

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

7 Other income

	Unrestricted funds General £	Total 2024 £
Other income	17,259	17,259
	Unrestricted funds General £	Total 2023 £
Other income	62,686	62,686

8 Expenditure on raising funds

a) Costs of trading activities

	Allocated support costs £	Total 2024 £	Total 2023 £
Trading subsidiary	712,234	712,234	668,049

9 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2024 £
Improve people's prospects	3,297,865	682,843	3,980,708
Create better places	2,179,381	451,254	2,630,635
Promote greener living and working	954,515	197,638	1,152,153
	6,431,761	1,331,735	7,763,496
	Activity undertaken directly £	Activity support costs £	2023 £
Improve people's prospects	5,369,145	776,795	6,145,940
Create better places	1,827,151	582,711	2,409,862
Promote greener living and working	311,991	23,056	335,047
	7,508,287	1,382,562	8,890,849

Groundwork North East

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

In addition to the expenditure analysed above, there are also governance costs of £13,500 (2023 - £14,175) which relate directly to charitable activities. See note 10 for further details.

10 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs	Other support costs	Total
	£	£	2024
			£
Staffing	-	569,554	569,554
Transport	-	15,755	15,755
Premises	-	131,602	131,602
Supplies and services	-	285,263	285,263
Legal fees	-	239,459	239,459
Audit fees	13,500	-	13,500
Depreciation	-	76,602	76,602
	<u>13,500</u>	<u>1,318,235</u>	<u>1,331,735</u>
	Governance costs	Other support costs	Total
	£	£	2023
			£
Staffing	-	625,105	625,105
Transport	-	8,813	8,813
Premises	-	139,866	139,866
Supplies and services	-	395,895	395,895
Legal fees	-	137,493	137,493
Audit fees	14,175	-	14,175
Depreciation	-	61,215	61,215
	<u>14,175</u>	<u>1,368,387</u>	<u>1,382,562</u>

The Trust initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the three key programme areas delivered in the year. The basis of the apportionment of the costs is pro-rata to the expenditure on each programme area.

Groundwork North East

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

11 Net incoming/outgoing resources

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

	2024	2023
	£	£
Audit fees	13,500	14,175
Depreciation of fixed assets	<u>76,602</u>	<u>61,215</u>

12 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 North East

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

13 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	4,368,134	4,723,940
Social security costs	131,194	368,823
Pension costs	60,137	344,100
Compensation payments	26,281	-
	<u>4,585,746</u>	<u>5,436,863</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 No	2023 No
Number of staff	<u>174</u>	<u>200</u>

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

	2024 No	2023 No
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-
£80,001 - £90,000	1	-
£90,001 - £100,000	<u>-</u>	<u>1</u>

The total employee benefits of the key management personnel of the group were £249,999 (2023 - £264,847).

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 North East

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

15 Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2023	2,041,708	602,552	63,110	2,707,370
Additions	-	29,822	10,495	40,317
Transfers	(130,000)	-	-	(130,000)
At 31 March 2024	<u>1,911,708</u>	<u>632,374</u>	<u>73,605</u>	<u>2,617,687</u>
Depreciation				
At 1 April 2023	355,455	509,189	63,109	927,753
Charge for the year	40,061	33,917	2,624	76,602
Transfers	(30,550)	-	-	(30,550)
At 31 March 2024	<u>364,966</u>	<u>543,106</u>	<u>65,733</u>	<u>973,805</u>
Net book value				
At 31 March 2024	<u>1,546,742</u>	<u>89,268</u>	<u>7,872</u>	<u>1,643,882</u>
At 31 March 2023	<u>1,686,253</u>	<u>93,363</u>	<u>1</u>	<u>1,779,617</u>

Included within the net book value of land and buildings above is £366,538 (2023 - £441,627) in respect of freehold land and buildings and £1,180,204 (2023 - £1,244,626) in respect of leasehold properties.

The transfer represents fixed assets with a NBV of £99,450 being held as an investments property.

Groundwork North East

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

Charity

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2023	2,041,708	433,556	63,110	2,538,374
Additions	-	-	10,495	10,495
Transfers	(130,000)	-	-	(130,000)
At 31 March 2024	<u>1,911,708</u>	<u>433,556</u>	<u>73,605</u>	<u>2,418,869</u>
Depreciation				
At 1 April 2023	355,455	423,044	63,109	841,608
Charge for the year	40,061	3,162	2,624	45,847
Transfers	(30,550)	-	-	(30,550)
At 31 March 2024	<u>364,966</u>	<u>426,206</u>	<u>65,733</u>	<u>856,905</u>
Net book value				
At 31 March 2024	<u>1,546,742</u>	<u>7,350</u>	<u>7,872</u>	<u>1,561,964</u>
At 31 March 2023	<u>1,686,253</u>	<u>10,512</u>	<u>1</u>	<u>1,696,766</u>

Included within the net book value of land and buildings above is £366,538 (2023 - £441,627) in respect of freehold land and buildings and £1,180,204 (2023 - £1,244,626) in respect of leasehold properties.

The transfer represents fixed assets with a NBV of £99,450 being held as an investments property.

16 Fixed asset investments

Group

	2024 £	2023 £
Investment properties	<u>2,195,000</u>	<u>2,190,000</u>

Groundwork North East

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

Investment properties

	Investment properties £
Cost or Valuation	
At 1 April 2023	2,190,000
Revaluation	85,550
Reclassification from fixed assets	99,450
Disposals and transfers	<u>(180,000)</u>
At 31 March 2024	2,195,000
Provision	
At 31 March 2024	<u>-</u>
Net book value	
At 31 March 2024	<u>2,195,000</u>
At 31 March 2023	<u>2,190,000</u>

Included in disposals and transfers above is a disposal of £80,000 and a transfer of properties to other debtors (as assets held for resale) of £100,000.

The fair value of the investment properties have been arrived at on the basis of a valuation carried out by Lambert Smith Hampton on 5 March 2024 for all investment properties. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties. The investments in property are held primarily for an investment return. An internal review is undertaken by the trustees annually.

Charity

	2024 £	2023 £
Investment properties	2,195,000	2,190,000
Other investments	<u>1</u>	<u>1</u>
	<u>2,195,001</u>	<u>2,190,001</u>

Groundwork North East

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

Investment properties

	Investment properties £
Cost or Valuation	
At 1 April 2023	2,190,000
Revaluation	85,550
Reclassification from fixed assets	99,450
Disposals and transfers	<u>(180,000)</u>
At 31 March 2024	2,195,000
Provision	
At 31 March 2024	<u>-</u>
Net book value	
At 31 March 2024	<u>2,195,000</u>
At 31 March 2023	<u>2,190,000</u>

Included in disposals and transfers above is a disposal of £80,000 and a transfer of properties to other debtors (as assets held for resale) of £100,000.

The fair value of the investment properties have been arrived at on the basis of a valuation carried out by Lambert Smith Hampton on 5 March 2024 for all investment properties. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties. The investments in property are held primarily for an investment return. An internal review is undertaken by the trustees annually.

Groundwork North East

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

Investment in subsidiary

	Investment in subsidiary £	Total £
Cost or Valuation		
At 1 April 2023	<u>1</u>	<u>1</u>
At 31 March 2024	<u>1</u>	<u>1</u>
Net book value		
At 31 March 2024	<u>1</u>	<u>1</u>
At 31 March 2023	<u>1</u>	<u>1</u>

Details of undertakings

The company's investments at the balance sheet date include an investment in The Greenhouse Company (Groundwork) Limited. Groundwork North East hold 100% of the ordinary share capital of The Greenhouse Company (Groundwork) Limited.

In the year to 31 March 2023 the subsidiary recorded a surplus of £204,208 (2023: £119,304) and had net assets of £288,627 (2023: £203,724).

17 Stock

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Stocks	<u>12,673</u>	<u>10,816</u>	<u>-</u>	<u>-</u>

18 Debtors

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	1,023,306	948,708	960,850	910,759
Due from group undertakings	-	-	-	130,525
Prepayments	121,558	96,495	100,493	72,900
Accrued income	1,032,181	796,836	1,032,181	796,836
Other debtors	<u>100,000</u>	<u>8,167</u>	<u>100,000</u>	<u>8,167</u>
	<u>2,277,045</u>	<u>1,850,206</u>	<u>2,193,524</u>	<u>1,919,187</u>

Groundwork North East

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

19 Creditors: amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Bank loans	25,415	38,387	25,415	38,387
Trade creditors	409,184	294,550	252,367	258,751
Due to group undertakings	-	-	92,391	-
Other taxation and social security	71,341	77,750	71,341	77,750
VAT	93,917	38,457	62,953	-
Other creditors	30,055	32,355	27,627	31,062
Accruals and deferred income	1,241,766	1,341,173	1,207,478	1,307,825
	<u>1,871,678</u>	<u>1,822,672</u>	<u>1,739,572</u>	<u>1,713,775</u>

Creditors due within one year includes the following liabilities on which security has been given:

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Charity Bank Loan	15,360	27,739	15,360	27,739
Bounce back Loan	10,055	10,648	10,055	10,648
	<u>25,415</u>	<u>38,387</u>	<u>25,415</u>	<u>38,387</u>

20 Creditors: amounts falling due after one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Bank loans	<u>256,995</u>	<u>268,289</u>	<u>256,995</u>	<u>268,289</u>

Creditors amounts falling due after more than one year includes the following liabilities on which security has been given:

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Charity Bank Loan	239,661	241,730	239,661	241,730
Bounce back loan	17,334	26,559	17,334	26,559
	<u>256,995</u>	<u>268,289</u>	<u>256,995</u>	<u>268,289</u>

Groundwork North East

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

21 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

	Group 2024 £	Charity 2024 £
Within one year	6,096	4,298
In two to five years	<u>21,379</u>	<u>15,071</u>
	<u><u>27,475</u></u>	<u><u>19,369</u></u>

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 £60,137 (2023 - £344,100).

Contributions totalling £24,112 (2023 - £29,608) were payable to the scheme at the end of the year and are included in creditors.

Groundwork North East

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

23 Funds

Group

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2024 £
Unrestricted funds						
<i>General</i>						
General funds	1,285,967	1,085,932	(1,798,242)	721,077	-	1,294,734
<i>Designated</i>						
Revaluation reserve	12,920	-	-	-	550	13,470
The Greenhouse	2,010,000	-	-	-	85,000	2,095,000
Trustees Designated Reserve	100,000	-	-	-	-	100,000
	<u>2,122,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,550</u>	<u>2,208,470</u>
Total unrestricted funds	<u>3,408,887</u>	<u>1,085,932</u>	<u>(1,798,242)</u>	<u>721,077</u>	<u>85,550</u>	<u>3,503,204</u>
Restricted funds						
Property Fund - Greencroft						
Woodland Purchase	40,591	-	-	-	-	40,591
Property Fund - Cocker mouth 2						
Market St	17,612	-	-	-	-	17,612
Project funds	36,981	7,334,620	(6,650,524)	(721,077)	-	-
Land of Oak and Iron Heritage Centre Fund	1,215,132	-	(26,964)	-	-	1,188,168
Total restricted funds	<u>1,310,316</u>	<u>7,334,620</u>	<u>(6,677,488)</u>	<u>(721,077)</u>	<u>-</u>	<u>1,246,371</u>
Total funds	<u>4,719,203</u>	<u>8,420,552</u>	<u>(8,475,730)</u>	<u>-</u>	<u>85,550</u>	<u>4,749,575</u>

Restricted - Property funds

Grants were received for the refurbishment of 2 Market Street, Cocker mouth. These are being written off in line with the depreciation policy of these assets.

The Greenhouse project represents funding for the construction of The Greenhouse, an investment asset. The restriction is reducing over a period of 15 years. The transfer from the restricted fund relates to the amount being reallocated to the designated fund, which together total the value of the investment.

The Greencroft Woodlands Purchase Fund is funding received to purchase woodland adjacent to the Greencroft Industrial Estate, Annfield Plain.

Groundwork North East

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

BBO Development Funding

Spending is restricted to future delivery of the Building Better Opportunities (BBO) programme.

Land of Oak & Iron Heritage Centre fund

The construction of the Land of Oak & Iron Heritage Centre was completed in September 2018. The funds equals the net book value of the asset.

Designated Fund - The Greenhouse

The fund represents the remaining unrestricted balance of the investment property. The transfer relates to the amount being reallocated from the restricted fund, which together total the value of the investment.

Designated Fund - Trustees Designated Fund

The Trustees Designated Fund is set aside in relation to an ongoing review of pay structures across the Trust.

Project funds

Project funds represent funding to enable specific projects to be undertaken in the year. Included in the charitable activities there are a number of funders and specific projects that need to be referred to specifically. These project funds are held in restricted reserves. The balance on Project funds is the overall net position on over 200 individual projects. The funds that require separate analysis are shown below:

Project	Funder	Balance B/Fwd £	Income £	Expenditure £	Balance C/Fwd £
River Tees Rediscovered	Heritage Lottery Fund	(22,645)	134,173	(56,144)	55,384
BBO - Choices	Big Lottery / European Social Fund	-	91,104	(99,799)	(8,696)
BBO - Step Forward Tees Valley	Big Lottery / European Social Fund	(18,368)	50,132	(37,494)	(5,730)
BBO - Reaching Out Accross Durham	Big Lottery / European Social Fund	-	29,583	(3,685)	25,898
BBO - Moving on Tyne and Wear	Big Lottery / European Social Fund	30,535	(12,558)	(9,211)	8,765
Eden Hill Young Peoples Project	Horden Youth and Community Centre	-	174,803	(62,403)	112,400
Norton Grange Lottery Funding	Heritage Lottery Fund	9,304	37,994	(55,002)	(7,704)
Big Local Easington	Local Trust	18,487	199,334	(243,876)	(26,055)
RC North East & Cumbria Region	National Lottery Community Fund	17,845	14,871	(3,804)	28,912
Western Perimeter Path	Livin Housing Limited	8,000	7,490	(12,607)	2,883
Reaching Out Across Durham (2)	UK Shared Prosperity Fund	(25,143)	229,201	(322,507)	(118,449)

Groundwork North East

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

Durhamworks 3-D384	Durham CC/ European Social Fund	(53,108)	293,164	(162,263)	77,792
Durhamworks DD-D387	Durham CC/ European Social Fund	(69,266)	362,508	(238,701)	54,541
Distington Big Local	Local Trust	13,297	(4,676)	(28,285)	(19,664)
Big Local Gateshead-TW394	Local Trust	-	(34)	(2,027)	(2,062)

The above overdrawn projects are paid in arrears and the balance was paid to Groundwork post year end.

24 Analysis of net assets between funds

Group

	Unrestricted		Restricted	Total funds
	General £	Designated £	£	£
Tangible fixed assets	384,041	13,470	1,246,371	1,643,882
Fixed asset investments	100,000	2,095,000	-	2,195,000
Net current assets/(liabilities)	1,067,688	100,000	-	1,167,688
Creditors over 1 year	(256,995)	-	-	(256,995)
Total net assets	<u>1,294,734</u>	<u>2,208,470</u>	<u>1,246,371</u>	<u>4,749,575</u>

	Unrestricted			Total funds at 31 March 2023
	General £	Designated £	Restricted £	£
Tangible fixed assets	493,365	12,920	1,273,335	1,779,620
Fixed asset investments	180,000	2,010,000	-	2,190,000
Net current assets/(liabilities)	880,891	100,000	36,981	1,017,872
Creditors over 1 year	(268,289)	-	-	(268,289)
Total net assets	<u>1,285,967</u>	<u>2,122,920</u>	<u>1,310,316</u>	<u>4,719,203</u>

25 Analysis of net funds

Group

	At 1 April 2023 £	Financing cash flows £	At 31 March 2024 £
Cash at bank and in hand	979,522	(229,874)	749,648
Debt due within one year	(38,387)	12,972	(25,415)
Debt due after more than one year	<u>(268,289)</u>	<u>11,294</u>	<u>(256,995)</u>
Net debt	<u>672,846</u>	<u>(205,608)</u>	<u>467,238</u>

Groundwork North East

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

26 Related party transactions

The Trust is part of a national network of trusts being part of the Groundwork Federation. Any trading activities with other trusts are at arm's length on normal commercial terms.

The Trustees represent local authorities, businesses, community & voluntary organisations. All transactions with these bodies are on an arm's length basis.

Other Groundwork Trusts

The following transactions occurred with other Groundwork Trusts during the year;

Groundwork Trust	Sales in Year	Purchases in year	Amounts due/(owed) at year end
	£	£	£
Groundwork UK	61,006	-	61,006
Groundwork South and North Tyneside	25,583	38,549	(12,965)
Groundwork London	-	1,614	(1,614)
Groundwork East	1,960	-	1,960
Groundwork Yorkshire	23,271	5,500	17,772
Groundwork Ten North East Limited	680	-	680
Groundwork Cheshire, Lancashire & Merseyside	700		700

Group

Charity

27 Contingent liabilities

On 15 March 2018 a legal charge was registered against Groundwork North East by the Trustees of The National Heritage Memorial Fund regarding a grant of £697,700 awarded for the Land of Oak and Iron project.

Groundwork North East

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 £	Restricted £	Total 2023 £
Income and Endowments from:				
Donations and legacies	3	22,992	-	22,992
Charitable activities	4	-	8,559,793	8,559,793
Other trading activities	5	787,098	-	787,098
Investment income	6	219,645	-	219,645
Other income	7	62,686	-	62,686
Total income		<u>1,092,421</u>	<u>8,559,793</u>	<u>9,652,214</u>
Expenditure on:				
Raising funds	8	(668,049)	-	(668,049)
Charitable activities	9	<u>(1,382,562)</u>	<u>(7,508,287)</u>	<u>(8,890,849)</u>
Total expenditure		<u>(2,050,611)</u>	<u>(7,508,287)</u>	<u>(9,558,898)</u>
Net (expenditure)/income		(958,190)	1,051,506	93,316
Transfers between funds		<u>1,129,910</u>	<u>(1,129,910)</u>	<u>-</u>
Net movement in funds		171,720	(78,404)	93,316
Reconciliation of funds				
Total funds brought forward		<u>3,237,167</u>	<u>1,388,720</u>	<u>4,625,887</u>
Total funds carried forward	23	<u><u>3,408,887</u></u>	<u><u>1,310,316</u></u>	<u><u>4,719,203</u></u>

Accounts

Company registration number: 02702815

Charity registration number: 1017706

GROUNDWORK NORTH EAST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

Groundwork North East

Contents

Reference and Administrative Details	1
Chairman's Statement	2
Trustees' Report	3 to 14
Independent Auditors' Report	15 to 17
Consolidated Statement of Financial Activities	18
Comparative Consolidated Statement of Financial Activities	19
Consolidated Balance Sheet	20
Balance Sheet	21
Consolidated Statement of Cash Flows	22
Notes to the Financial Statements	23 to 41

Groundwork North East

Reference and Administrative Details

Trustees	A R Thurston J E Pritchard D C Pearce H Simmons A J J Anderson Sir P M Ennals M F Schooler J Davison (appointed 1 September 2023) S F Cole (appointed 27 September 2023) M Houston (appointed 27 September 2023) S Neill (appointed 27 September 2023) J Parkin (appointed 27 September 2023) Z Richardson (appointed 27 September 2023) T T Case (resigned 1 June 2023) T Justice (resigned 16 December 2022) D Martin (resigned 28 September 2022)
Secretary	J P Heatherington
Key Management Personnel	K Culverhouse, Chief Executive Officer (resigned 30 September 2022) S Roberts (appointed 1 October 2022), Chief Executive Officer J P Heatherington, Director of Finance & Corporate Services
Registered Office	14 Parsons Court Welbury Way Newton Aycliffe County Durham DL5 6ZE The charity is incorporated in England and Wales.
Company Registration Number	02702815
Charity Registration Number	1017706
Auditor	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Groundwork North East

Chairman's Statement

The restrictions imposed during the Covid 19 pandemic were fully removed shortly before the start of the 2022 - 23 financial year, so Groundwork North East & Cumbria was able to operate a full programme of activity during the year. However, the ending of pandemic-specific funding streams and the impact of high inflation resulting from the consequences of the war in Ukraine, as well as the ending of funding from European Union programmes following Brexit, presented challenges to the way in which we delivered our agenda during the year.

Against this challenging background the Trustees would like to express their gratitude and thanks to our Groundwork staff and volunteers for the way in which they have responded to these challenges and embraced new ways of working to deliver the successful programme of activity summarised in the Achievements and Performance section of the Trustees' report.

We formally welcomed Steve Roberts to his new role as Chief Executive in October 2022, and one of Steve's initial tasks was to work with colleagues within Groundwork North East & Cumbria alongside other Trusts across the Groundwork Federation to refresh our forward strategy and business plan. The refreshed strategy, which was formally signed off in summer 2023, will continue to build on our existing areas of focus which are underpinned by Groundwork's core purposes and which align with key Government priorities: Tackling Climate Change, Levelling Up Society and Improving People's Wellbeing.

We continued to work in partnership with our sister Trust, Groundwork South and North Tyneside to ensure that we maximise the opportunity of leveraging the government's Shared Prosperity Fund to ensure funding reaches those communities where it will have maximum impact.

Our trading company's businesses performed well during the year: The Greenhouse team worked with tenants to meet their requirements for more flexible working arrangements, and the Land of Oak and Iron Heritage Centre was able to build on its ability to offer visitors a high-quality experience as they took the opportunity to engage with their local environment.

During the year three of our Trustees resigned; Tom Justice, Tara Case and David Martin and on behalf of the Board I would like to record our thanks for their considerable contribution to Groundwork over the years. We also said goodbye to Kate Culverhouse, our previous Chief Executive, who left Groundwork after a long and distinguished career. Trustees and colleagues thank her for her enormous contribution over the years and we wish her well in the next stage of her career.

During 2023 we successfully recruited six new Trustees to the Charity Board, and we look forward to working with them over the coming years.



Andrew Thurston 05 Dec 2023 11:47:06 GMT (UTC +0)

A R Thurston
Trustee

Groundwork North East

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the consolidated financial statements and auditors' report of the charitable company and its subsidiaries for the year ended 31 March 2023, which are also prepared to meet the requirements for a directors' report and accounts for the Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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.

Structure, governance and management

Nature of governing document

The Trust is a registered charity and a company limited by guarantee and is governed by its Memorandum and Articles of Association.

The Trust is part of a national federation of independent Trusts, including the Groundwork national office and we continue to play a leading role in the development of Groundwork in the UK. Each Groundwork trust operates independently with their local partners to improve people's prospects, create better places and promote greener living and working.

Recruitment and appointment of trustees

Trustees who are also members of the Company serve a term to a maximum of three years and can be appointed for further terms subject to approval by the Board.

Induction and training of trustees

Trustees meet with the Chief Executive and Chairman for an introduction to the Trust. Trustees are invited and encouraged to sit on Board Committees.

Groundwork North East

Trustees' Report

Organisational structure

The Board of Trustees, which can have up to 15 members, administer the charity. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity.

During this financial year there were four meetings of the full Board, which received reports from committees which also met quarterly:

- Finance & Corporate Services Committee - Oversees the financial, personnel and health and safety activities of the Trust, recommend financial strategy to the Board and ensure that robust systems of financial management are in place.
- Strategic & Business Development Committee - Develops the Trust's forward Strategic and Business plans making recommendations to the Board via the Finance & Corporate Services Committee on specific opportunities.
- Business Controls, Systems and Compliance Committee – Oversees the Trust implementation of non-financial compliance, policies and procedures required to meet legal compliance, and regulatory requirements with regards Health & Safety Data Protection and Safeguarding.
- Social Enterprise Committee – oversees commercial and income generating objectives at The Greenhouse Business Centre and the Land of Oak and Iron Heritage Centre.

In addition to the formal Trustee committees, in line with our commitment to youth participation, our Youth Of Today board met throughout the year. The objective of the group is to provide a platform for young voices to help inform the way we go about our work and that we are being evidenced based in our interventions.

At each meeting of the Board, presentations from areas of the business are received. Throughout the year presentations from staff on projects in the Youth Employment Initiative, Land & Communities Projects and an overview of the Social Enterprise businesses were made.

Our close working relationship with Groundwork South & North Tyneside continues to operate well within the organisation. The Business Controls, Systems and Compliance Committee remains a joint Committee, with representation from Trustees and Executives of both Trusts and includes cross working between the Trusts in specific operational areas such as Finance, HR, Health & Safety and Facilities.

The Strategic & Business Development Committee, combined with representatives from Groundwork South and North Tyneside in January 2021, moved back to the separate Trusts in January 2023. The decision to move long term strategic aims of each Trusts did not end local strategic discussions, but reflected differing priorities in each Trust. Short to medium term business development opportunities are closely managed by the respective Heads of Business Development in each Trust.

Groundwork North East

Trustees' Report

Related parties and co-operation with other organisations

Trustees are drawn from the public, business and third sectors but do not represent any particular business or organisation. None of our trustees receive remuneration or other financial benefit from their work with the charity.

The Trust is part of a national network of independent trusts known as the Groundwork Federation.

The Trust has one wholly owned subsidiary company,

- The Greenhouse Company (Groundwork) Limited;

Details of any related party transactions are disclosed in Note 26 to the accounts.

Objectives and activities

The charity's purposes and activities are set out below. The activities are undertaken to further the Trusts' charitable purposes for the public benefit. The trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission and the trustees have paid due regard to this guidance in deciding what activities the Trust should undertake.

The company's charitable objects, as defined in the Memorandum & Articles of Association are:

- a. To promote the conservation, protection and improvement of the physical and natural environment anywhere in the North East and Cumbria regions of England.
- b. To provide facilities in the interests of recreation and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting to the North East and Cumbria.
- c. To advance the public education in environmental matters and of the ways of better conserving, protecting and improving the same whatsoever.
- d. To promote, for the public benefit, urban and rural regeneration in areas of social and economic deprivation.

What we do to meet our charitable objectives

To achieve these charitable objectives we deliver a diverse range of projects and programmes across the North East and Cumbria, under one of our three strategic programme areas.

- **create better places** - by making communities greener, safer and healthier and by enabling people to work together to bring about change in their local area.
- **improve people's prospects** - by increasing the confidence, skills, wellbeing and employability of those struggling in education or out of work.
- **promote greener living and working** - by helping people and businesses reduce their environmental impact, improve their health, cut waste and save money.

Our ambition is to build our visibility, our reputation and our resource base so that we can be a significant, radical, national force for driving change in attitudes, behaviours, places and prospects in the local communities that need it most.

Groundwork North East

Trustees' Report

Our strategic growth areas over the next five years (2023 -28) are:

- Protecting and enhancing green and blue spaces.
- Delivering green skills and jobs.
- Promoting greener living.
- Empowering communities.
- Developing new trading activity.

These areas of focus each build upon the delivery and positioning achieved during recent years through our principle operational themes of: Nature based solutions, Energy Efficiency, Employment and Skills, Green teams and land management, Youth work and Health and wellbeing

They will align with emerging policy framework from central government and local stakeholders' strategies and plans and we will continue improving our own capability and resilience to ensure we are putting maximum resource into our front-line delivery and invest in the right skills to improve the quality of our services and management.

Our Volunteers

We are extremely grateful for the assistance of 7,500 volunteers who have been actively involved on a variety of projects, providing their time, energy and skills to help us reach more beneficiaries and increase our positive impact on the environment.

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 follow 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 North East

Trustees' Report

Achievements and performance

Throughout the year Groundwork North East and Cumbria delivered 183 projects.

Creating better places

- 130 public spaces improved across North East and Cumbria
- 191 community groups supported to build places of pride

Revitalising our Estuaries (ROE) - this project has pioneered Nature based Solutions (NbS) for habitat enhancement and restoration, impacting over 467 hectares of landscape, providing social and environmental benefits. Through the project we have improved nature across six coastal estuary areas and created jobs in the environment sector, positively impacting the economy. RoE focused on increasing skills and employment opportunities for 38 young people in the region. The project's success can be attributed to community engagement, directly engaging with 3,721 people over 39 public events.

Community Space Enhancement - continued enhancement of public community spaces such as Elba Park in Sunderland has had the support of 31 volunteers supporting the area with over 1,000 working hours. This has contributed towards improving our green spaces which support people's health and wellbeing. A total of 498 children and adults have engaged in sports or health activities within this area.

Pegswood Community Park - over the year, the project has engaged with 40 businesses who contributed 360 hours through various volunteer activities as part of their social value initiatives.

Improving people's prospects

- 1,316 young people supported to learn achieve and thrive
- 325 formal qualifications gained
- 810 people supported into education, training or work

Reaching Out Across Durham (ROAD) - supported people across County Durham by offering one to one advice. Aimed at individuals out of work, aged 25 years and over the programme signed up 102 people. 43 of these went into training or education, 23 went directly into work and 254 individuals reported an improved lifestyle and life skills, along with a reduction in social isolation.

Tees Valley Pathways, Youth Shack - a three-week programme aimed at building confidence and skills for individuals aged 15-29 years supported 70 people and progressed 42 of these individuals into gaining further support, volunteering or sustainable employment.

Choices - in Cumbria provided one to one information advice and guidance, helping individuals move towards searching for or move into employment. 80 people enrolled into further education and training and 30 people progressed into employment.

Development of Carbon Clever Careers as an introduction to the emerging green economy.

Groundwork North East

Trustees' Report

Promoting greener living and working

- 527 people helped to reduce their energy, tackling fuel poverty
- 263 businesses supporting to employ new entrants to the labour market

Green Doctors - A further expansion of Green Doctor across Tyne and Wear and Cumbria has provided support to 1,150 households. Around 700 winter packs were given to vulnerable people in Cumbria and over £20,000 worth of energy saving measures were implemented in houses across Tyne and Wear.

Development of Retrofit - providing training opportunities to staff to position Groundwork into an emerging area of future work.

Implementation of a new Green Community Hub Workington (Cumbria), part of Groundwork's northern Network of hub.

Implementation of Green Social Prescribing project in Cumbria demonstrating how 'green' activities contribute towards the Public Health agenda.

Groundwork North East

Trustees' Report

Financial review

The Trust continued to build positively as we moved out of the pandemic. Where the previous two periods were punctuated by restrictions enforced both nationally and by our funders, the ability for our teams to continue to bid and successfully deliver a huge range of diverse projects improved significantly.

At the end of the Financial Year, the Trust had a total of 195 live projects across the Trust, many of which are multi-year projects, securing income into the future. The nature of our delivery programmes continues to evolve, as does the diversity of projects we deliver.

Group turnover to March 2023 was £9.65m, v £9.14m in 2022, showing continued growth in the Trust following a return to the levels of pre-pandemic turnover published in FY2022.

Consolidated cash balances decreased slightly in the year to £979k, down from £1.01m.

Our principal sources of funding continue to be from the European Social Fund, Big Lottery Fund, Heritage Lottery Fund, National Citizen Trust and Thirteen Housing Group.

The Greenhouse office building continues to house a range of tenants from start up to SME's, as well as providing a high level of quality business meeting space. Investments in technology over the year have put the business on a good foundation, which is reflected by the number of tenants wanting to base themselves with us.

The Land of Oak and Iron Heritage Centre has had a successful year and continues to embed itself in the minds of the local community and further afield. Having fully exited restrictions placed upon the hospitality industry during COVID our offering continued to adapt to the new ways in which customers interacted with the centre. We were able to offer a full programme of diverse events, providing interesting and engaging events to our customers, including our popular Bird Walks, Meet the Maker events and activities for children during school holidays.

Some of our funders require details to be included in our Financial Statements, which is provided as part of note 23.

Investment powers and policy

Under the Memorandum and Articles of Association, the Trust has the power to make any investment which the Board see fit.

Groundwork North East

Trustees' Report

Policy on reserves

In accordance with guidelines issued by the Charity Commission, the Trust considers it prudent to maintain a reasonable level of unrestricted reserves. Reserves are freely available to spend on any of the Trust's charitable purposes and are required to be able to deal appropriately with the following:

- Invest in future business opportunities
- Invest in improved infrastructure, systems and services
- Provide working capital to fund programmes where there is a significant timing difference between incurring expenditure and receipt of funds
- Provide a contingency fund against unforeseen events and risks.

The reserves policy has been determined using Charity Commission guidance, the target is based on an amount equivalent to three months staff and overhead costs, which equates to £1.2m at 31 March 2023. This compares to actual free reserves of £980k, an increase of £71k from FY 2022. The Trust aims to achieve growth in delivery of programmes and enterprise activity over a number of years, which will generate surplus funds to supplement reserves and move towards the target level.

At 31 March 2023 the Trust held reserves of £4,719,203, of which £1,310,316 were restricted funds.

The Trust maintains the following funds:

Restricted Funds and Use of Funds

The Greenhouse property - Relating to the building of the Greenhouse Business Centre

Greencroft Woodland Purchase - Purchase of the woodland

Cockermouth property - Funding used for property refurbishments

BBO Development - Future delivery of the Building Better Opportunities programme

Projects - Future delivery of specific projects

Land of Oak and Iron Heritage Centre - Relates to the capital spend on the Heritage Centre, the fund equals the net book value of the asset at the end of the year.

Designated Funds and Use of Funds

Business Development - Future development costs and business opportunities

Projects - Surplus from projects to be used in programme delivery

The Greenhouse - Unrestricted balance of the Greenhouse Investment property.

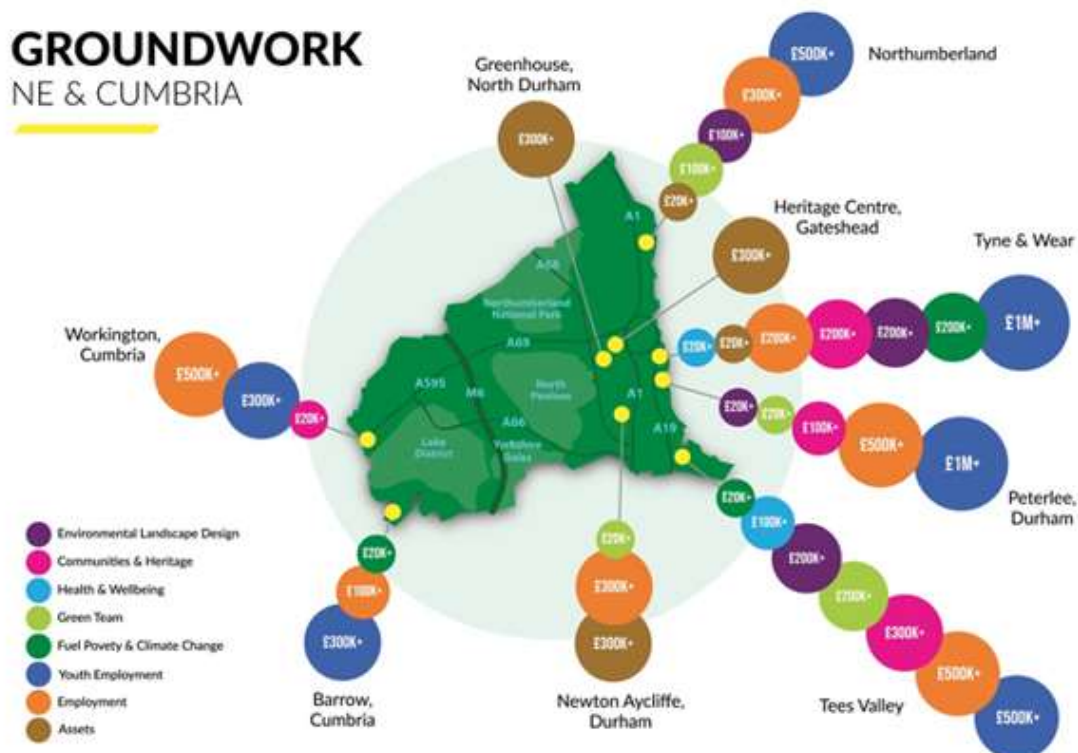
Going Concern

In the year to 31 March 2023, there was a net surplus in the year of £93.3k for the Group. General unrestricted funds showed a surplus of £171.7k. The Trustees have reviewed the Trust Business Plan for 2023 - 2024, targeting a surplus of £103k. The business plan is sufficient to secure the immediate future of the charity for at least the next 12 to 18 months. On this basis, we consider that the Trust is a going concern.

Groundwork North East

Trustees' Report

Plans for future periods



Groundwork's income base and operational plans continue to be heavily influenced by public sector policy - either due to the direct delivery of public service contracts or the impact of government policy on the priorities of other agencies and businesses.

We have sought to identify the areas where the Trust will benefit from National, Northern or local coordination, whether to improve positioning or performance, or in securing funds which can't be accessed by ourselves alone.

Our short-term plan sits within a longer-term programme of income diversification, achieving a better mix of restricted and unrestricted income through investment in the skills and capacity required to drive new types of fundraising and commercial revenue generation.

Groundwork North East

Trustees' Report

The way we go about our work will be informed by our commitment to 'the Groundwork approach'. We will deliver our impact through a range of projects, programmes and services that respond to local need and opportunity but that are developed and informed by the following core commitments:

- **We will invest in the places and people that need us most** - prioritising our resources to bring about lasting change by building skills and capacity within the local communities where we can make most difference.
- **We will work with local leaders and listen to local voices** - ensuring our work is fully informed by those it is designed to benefit and adds value to the assets that exist in local areas.
- **We will grow a culture of equality and inclusion** - addressing injustice and seeking out a diversity of viewpoints, both in the work we do and the people we employ.
- **We learn from local practice to promote wider change** - sharing the lessons from our work so that we can influence policy and contribute to system change
- **We will be committed to collaboration** - forging strong partnerships, contributing to a thriving community sector and helping others lead where this will achieve greater impact.
- **We will act as environmental exemplars** - championing practical action to combat the climate and nature emergency and measuring and reducing our own environmental impact.

For Groundwork NE & Cumbria this means:

- Positioning/ profile raising - Embedding and promoting a clear USP with more strategic positioning. Integrating a green thread through all that we do.
- Reducing Inequality - Engaging with Government Levelling Up and devolution agendas. Tackling inequality, reducing poverty through employability and engagement. Enabling Green Jobs. Combatting food/fuel poverty and health inequality, restoring pride of place in areas needing it most.
- Nature Based Solutions - Investment in quality places and landscapes, developing Nature Based Solution in landscape and community programmes to mitigate impacts of dual climate and biodiversity crisis. Deliver carbon sequestration and/or biodiversity net gain.
- Energy Efficiency - Investment to develop staff into Domestic Energy Advise, to expand the Green Doctor programme and develop a Retrofit programme.
- Climate Action - Implementing our Net Zero Action Plan to have net zero carbon emissions by 2030

Our plan is underpinned by the values developed by our team. We will be **environmentally aware** and focused on **communities in need**. We will be collaborative, show **integrity** and strive for **quality** in everything we do.

This financial year will see the launch of Groundwork North East and Cumbria's 5 year strategy 2023 - 2028. This has been developed in line with Groundwork UK's five year strategy, setting out how we will support practical action to create a fair and green future in which people, places and nature thrive.

Groundwork North East

Trustees' Report

Trading Activities

The Greenhouse Environmental Business Centre in Annfield Plain was established as an eco-Centre in 2005 and provides high quality facilities for our tenants. With an on-site wind turbine, c80% of electricity used in the building was generated from this facility. The environmental credentials of the building will continue to be improved and where relevant, leading technologies to cement this unique proposition in the area will be continued.

At our Land of Oak and Iron Heritage Centre in Winlaton Mill, we are proud to promote and celebrate local heritage and history of the Derwent Valley and surrounding areas. The centre attracts significant visitor numbers from the local population due to the convenience of the site and amenities provided. The centre continues to engage through on site events and an active social media presence. A quality food and drink offer is constantly being updated to encourage repeat visits.

To further engage with visitors, a range of activities, events and heritage centred installations are being planned to enable the centre to be used as a gateway to the wider Land of Oak and Iron project, which includes closer working relationships with local interest groups associated to the area.

Groundwork North East

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Groundwork North East 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 05/12/2023.... and signed on its behalf by:



Andrew Thurston 05 Dec 2023 11:47:06 GMT (UTC +0)

.....
A R Thurston
Trustee

Groundwork North East

Independent Auditor's Report to the Members of Groundwork North East

Opinion

We have audited the financial statements of Groundwork North East (the 'charitable parent company') and its subsidiary (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 North East

Independent Auditor's Report to the Members of Groundwork North East

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 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:

- 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;

Groundwork North East

Independent Auditor's Report to the Members of Groundwork North East

- 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. This description forms part of our auditor's report.

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 18 Dec 2023 09:39:31 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: 18/12/2023

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

Groundwork North East

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 £	Restricted £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	22,992	-	22,992	27,211
Charitable activities	4	-	8,559,793	8,559,793	8,291,914
Other trading activities	5	787,098	-	787,098	724,798
Investment income	6	219,645	-	219,645	52,560
Other income	7	62,686	-	62,686	45,025
Total Income		<u>1,092,421</u>	<u>8,559,793</u>	<u>9,652,214</u>	<u>9,141,508</u>
Expenditure on:					
Raising funds	8	(668,049)	-	(668,049)	(599,963)
Charitable activities	9	<u>(1,382,562)</u>	<u>(7,508,287)</u>	<u>(8,890,849)</u>	<u>(8,083,680)</u>
Total Expenditure		<u>(2,050,611)</u>	<u>(7,508,287)</u>	<u>(9,558,898)</u>	<u>(8,683,643)</u>
Net (expenditure)/income		(958,190)	1,051,506	93,316	457,865
Transfers between funds		<u>1,129,910</u>	<u>(1,129,910)</u>	-	-
Net movement in funds		171,720	(78,404)	93,316	457,865
Reconciliation of funds					
Total funds brought forward		<u>3,237,167</u>	<u>1,388,720</u>	<u>4,625,887</u>	<u>4,168,022</u>
Total funds carried forward	23	<u><u>3,408,887</u></u>	<u><u>1,310,316</u></u>	<u><u>4,719,203</u></u>	<u><u>4,625,887</u></u>

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 North East

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 £	Restricted £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	27,211	-	27,211
Charitable activities	4	-	8,291,914	8,291,914
Other trading activities	5	724,798	-	724,798
Investment income	6	52,560	-	52,560
Other income	7	45,025	-	45,025
Total income		<u>849,594</u>	<u>8,291,914</u>	<u>9,141,508</u>
Expenditure on:				
Raising funds	8	(599,963)	-	(599,963)
Charitable activities	9	<u>(540,989)</u>	<u>(7,542,691)</u>	<u>(8,083,680)</u>
Total expenditure		<u>(1,140,952)</u>	<u>(7,542,691)</u>	<u>(8,683,643)</u>
Net (expenditure)/income		(291,358)	749,223	457,865
Transfers between funds		<u>633,226</u>	<u>(633,226)</u>	<u>-</u>
Net movement in funds		341,868	115,997	457,865
Reconciliation of funds				
Total funds brought forward		<u>2,895,299</u>	<u>1,272,723</u>	<u>4,168,022</u>
Total funds carried forward	23	<u><u>3,237,167</u></u>	<u><u>1,388,720</u></u>	<u><u>4,625,887</u></u>

Groundwork North East

(Registration number: 02702815)

Consolidated Balance Sheet as at 31 March 2023

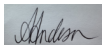
	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	1,779,620	1,731,686
Investments	16	<u>2,190,000</u>	<u>2,190,000</u>
		<u>3,969,620</u>	<u>3,921,686</u>
Current assets			
Stocks	17	10,816	11,209
Debtors	18	1,850,206	2,237,868
Cash at bank and in hand		<u>979,522</u>	<u>1,009,471</u>
		<u>2,840,544</u>	<u>3,258,548</u>
Creditors: Amounts falling due within one year	19	<u>(1,822,672)</u>	<u>(2,259,976)</u>
Net current assets		<u>1,017,872</u>	<u>998,572</u>
Total assets less current liabilities		<u>4,987,492</u>	<u>4,920,258</u>
Creditors: Amounts falling due after more than one year	20	<u>(268,289)</u>	<u>(294,371)</u>
Net assets		<u>4,719,203</u>	<u>4,625,887</u>
Funds of the group:			
Restricted		<u>1,310,316</u>	<u>1,388,720</u>
Unrestricted income funds			
Designated funds		2,122,920	2,022,920
General funds		<u>1,285,967</u>	<u>1,214,247</u>
Total unrestricted funds		<u>3,408,887</u>	<u>3,237,167</u>
Total funds	23	<u>4,719,203</u>	<u>4,625,887</u>

The financial statements on pages 18 to 41 were approved by the trustees, and authorised for issue on 05/12/2023... and signed on their behalf by:



Andrew Thurston 05 Dec 2023 11:47:06 GMT (UTC +0)

A R Thurston
Trustee



Amber Anderson 06 Dec 2023 14:58:15 GMT (UTC +0)

A J J Anderson
Trustee

Groundwork North East

(Registration number: 02702815) Balance Sheet as at 31 March 2023

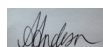
	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	1,696,769	1,726,026
Investments	16	<u>2,190,001</u>	<u>2,190,001</u>
		<u>3,886,770</u>	<u>3,916,027</u>
Current assets			
Debtors	18	1,919,187	2,163,528
Cash at bank and in hand		<u>691,588</u>	<u>781,155</u>
		2,610,775	2,944,683
Creditors: Amounts falling due within one year	19	<u>(1,713,775)</u>	<u>(2,159,778)</u>
Net current assets		<u>897,000</u>	<u>784,905</u>
Total assets less current liabilities		4,783,770	4,700,932
Creditors: Amounts falling due after more than one year	20	<u>(268,289)</u>	<u>(294,371)</u>
Net assets		<u>4,515,481</u>	<u>4,406,561</u>
Funds of the charity:			
Restricted		<u>1,310,316</u>	<u>1,388,720</u>
Unrestricted income funds			
Designated funds		2,122,920	2,022,920
Unrestricted funds		<u>1,082,245</u>	<u>994,921</u>
Total unrestricted funds		<u>3,205,165</u>	<u>3,017,841</u>
Total funds	23	<u>4,515,481</u>	<u>4,406,561</u>

The financial statements on pages 18 to 41 were approved by the trustees, and authorised for issue on 05/12/2023.... and signed on their behalf by:



Andrew Thurston 05 Dec 2023 11:47:06 GMT (UTC +0)

A R Thurston
Trustee



Amber Anderson 06 Dec 2023 14:58:15 GMT (UTC +0)

A J J Anderson
Trustee

Groundwork North East

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

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash income		93,316	457,865
Adjustments to cash flows from non-cash items			
Depreciation	15	61,215	48,975
Investment income	6	<u>(219,645)</u>	<u>(52,560)</u>
		(65,114)	454,280
Working capital adjustments			
Decrease/(increase) in stocks	17	393	(4,165)
Decrease/(increase) in debtors	18	387,662	(964,360)
(Decrease)/increase in creditors	19	<u>(437,309)</u>	<u>985,110</u>
Net cash flows from operating activities		<u>(114,368)</u>	<u>470,865</u>
Cash flows from investing activities			
Interest receivable and similar income	6	219,645	52,560
Purchase of tangible fixed assets	15	<u>(109,149)</u>	<u>(57,695)</u>
Net cash flows from investing activities		110,496	(5,135)
Cash flows from financing activities			
Repayment of loans and borrowings	19	<u>(26,077)</u>	<u>(20,938)</u>
Net (decrease)/increase in cash and cash equivalents		(29,949)	444,792
Cash and cash equivalents at 1 April		<u>1,009,471</u>	<u>564,679</u>
Cash and cash equivalents at 31 March		<u><u>979,522</u></u>	<u><u>1,009,471</u></u>

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

Groundwork North East

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

The address of its registered office is: 14 Parsons Court, Welbury Way, Newton Aycliffe, County Durham, DL5 6ZE

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 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 North East 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.

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 surplus after tax for the financial year of £93,316 (2022 - surplus of £457,041).

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.

Groundwork North East

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

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.

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.

Rental income is recognised once the charity has received the income.

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.

Groundwork North East

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

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.

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 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

Leasehold improvements
Freehold property
Furniture and equipment
Computer and software
Motor vehicles

Depreciation method and rate

over the remaining unexpired term of the lease
over 50 years
over 4 years
over 3 years
over 3 years

Investments

Fixed asset investments are stated at cost less provision for diminution in value. Those stated as current assets are stated at the lower of cost and net realisable value.

Investment property is included at open market value, which is updated every five years by an independent, chartered surveyor. Each year, trustees review the valuations in order to identify any impairment that is due.

Stock

Stock and work in progress are valued at the lower of cost and net realisable value.

Groundwork North East

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

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.

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 North East

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.

Financial Instruments

The Trust 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.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Donations and legacies;			
Donations from individuals	22,992	-	22,992
	<u>22,992</u>	<u>-</u>	<u>22,992</u>
	Unrestricted funds General £	Restricted funds £	Total 2022 £
Donations and legacies;			
Donations from individuals	18,156	-	18,156
Grants, including capital grants;			
Government grants	9,055	-	9,055
	<u>27,211</u>	<u>-</u>	<u>27,211</u>

4 Income from charitable activities

	Restricted funds £	Total 2023 £
Improve people's prospects	6,003,356	6,003,356
Create better places	2,102,772	2,102,772
Promote greener living and working	453,665	453,665
	<u>8,559,793</u>	<u>8,559,793</u>

Groundwork North East

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

	Restricted funds £	Total 2022 £
Improve people's prospects	6,455,185	6,455,185
Create better places	1,505,183	1,505,183
Promote greener living and working	331,546	331,546
	<u>8,291,914</u>	<u>8,291,914</u>

5 Income from other trading activities

	Unrestricted funds General £	Total 2023 £
Trading activities		
The Greenhouse Company (Groundwork) Limited	787,098	787,098
	<u>787,098</u>	<u>787,098</u>

	Unrestricted funds General £	Total 2022 £
Trading activities		
The Greenhouse Company (Groundwork) Limited	724,798	724,798
	<u>724,798</u>	<u>724,798</u>

6 Investment income

	Unrestricted funds General £	Total 2023 £
Interest receivable and similar income;		
Interest receivable on bank deposits	2,423	2,423
Income from rents	217,222	217,222
	<u>219,645</u>	<u>219,645</u>

	Unrestricted funds General £	Total 2022 £
Interest receivable and similar income;		
Interest receivable on bank deposits	33	33
Income from rents	52,527	52,527
	<u>52,560</u>	<u>52,560</u>

Groundwork North East

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

7 Other income

	Unrestricted funds General £	Total 2023 £
Other income	62,686	62,686
	Unrestricted funds General £	Total 2022 £
Other income	45,025	45,025

8 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Trading subsidiary costs	668,049	668,049	599,963
	668,049	668,049	599,963

9 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2023 £
Improve people's prospects	5,369,145	776,795	6,145,940
Create better places	1,827,151	582,711	2,409,862
Promote greener living and working	311,991	23,056	335,047
	7,508,287	1,382,562	8,890,849
	Activity undertaken directly £	Activity support costs £	2022 £
Improve people's prospects	5,887,689	751,533	6,639,222
Create better places	1,024,207	340,422	1,364,629
Promote greener living and working	61,734	18,095	79,829
	6,973,630	1,110,050	8,083,680

Groundwork North East

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

10 Analysis of support costs

Support costs allocated to charitable activities

	Governance costs £	Other support costs £	Total 2023 £
Staffing	-	625,105	625,105
Transport	-	8,813	8,813
Premises	-	139,866	139,866
Supplies and services	-	395,895	395,895
Legal fees	-	137,493	137,493
Audit fees	14,175	-	14,175
Depreciation	-	61,215	61,215
	<u>14,175</u>	<u>1,368,387</u>	<u>1,382,562</u>
	Governance costs £	Other support costs £	Total 2022 £
Staffing	-	552,847	552,847
Transport	-	12,830	12,830
Premises	-	74,722	74,722
Supplies and services	-	358,266	358,266
Legal fees	-	52,910	52,910
Audit fees	9,500	-	9,500
Depreciation	-	48,975	48,975
	<u>9,500</u>	<u>1,100,550</u>	<u>1,110,050</u>

The Trust initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the three key programme areas delivered in the year. The basis of the apportionment of the costs is pro-rata to the expenditure on each programme area.

Groundwork North East

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

11 Net incoming/outgoing resources

Net incoming resources for the year include:

	2023	2022
	£	£
Audit fees	14,175	9,500
Other non-audit services	-	3,250
Depreciation of fixed assets	<u>61,215</u>	<u>48,975</u>

12 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 North East

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

13 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	4,723,940	4,577,081
Social security costs	368,823	316,971
Pension costs	344,100	343,523
	<u>5,436,863</u>	<u>5,237,575</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 No	2022 No
Number of staff	<u>200</u>	<u>182</u>

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

	2023 No	2022 No
£60,001 - £70,000	2	1
£70,001 - £80,000	-	1
£90,001 - £100,000	<u>1</u>	<u>-</u>

The total employee benefits of the key management personnel of the group were £264,847 (2022 - £145,475).

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 North East

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

15 Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2022	2,033,010	511,469	53,742	2,598,221
Additions	8,698	91,084	9,367	109,149
At 31 March 2023	2,041,708	602,553	63,109	2,707,370
Depreciation				
At 1 April 2022	319,140	493,653	53,742	866,535
Charge for the year	36,315	15,533	9,367	61,215
At 31 March 2023	355,455	509,186	63,109	927,750
Net book value				
At 31 March 2023	1,686,253	93,367	-	1,779,620
At 31 March 2022	1,713,870	17,816	-	1,731,686

Included within the net book value of land and buildings above is £441,627 (2022 - £451,273) in respect of freehold land and buildings and £1,244,626 (2022 - £1,262,597) in respect of leasehold properties.

Charity

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2022	2,033,010	432,076	53,742	2,518,828
Additions	8,698	1,481	9,367	19,546
At 31 March 2023	2,041,708	433,557	63,109	2,538,374
Depreciation				
At 1 April 2022	319,140	419,920	53,742	792,802
Charge for the year	36,315	3,121	9,367	48,803
At 31 March 2023	355,455	423,041	63,109	841,605
Net book value				
At 31 March 2023	1,686,253	10,516	-	1,696,769
At 31 March 2022	1,713,870	12,156	-	1,726,026

Included within the net book value of land and buildings above is £441,627 (2022 - £451,273) in respect of freehold land and buildings and £1,244,626 (2022 - £1,262,597) in respect of leasehold properties.

Groundwork North East

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

16 Fixed asset investments

Group

	2023 £	2022 £
Investment properties	<u>2,190,000</u>	<u>2,190,000</u>
Investment properties		Investment properties £
Cost or Valuation		
At 1 April 2022		<u>2,190,000</u>
Provision		
At 31 March 2023		<u>-</u>
Net book value		
At 31 March 2023		<u>2,190,000</u>
At 31 March 2022		<u>2,190,000</u>

The fair value of the investment properties have been arrived at on the basis of a valuation carried out by Lambert Smith Hampton on 24 July 2019 for The Greenhouse Business Centre and 14 March 2019 for all other investment properties. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties. The investments in property are held primarily for an investment return. An internal review is undertaken by the trustees annually.

Charity

	2023 £	2022 £
Investment properties	2,190,000	2,190,000
Other investments	<u>1</u>	<u>1</u>
	<u>2,190,001</u>	<u>2,190,001</u>

Groundwork North East

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

Investment properties

	Investment properties £
Cost or Valuation	
At 1 April 2022	<u>2,190,000</u>
Provision	
At 31 March 2023	<u>-</u>
Net book value	
At 31 March 2023	<u>2,190,000</u>
At 31 March 2022	<u>2,190,000</u>

The fair value of the investment properties have been arrived at on the basis of a valuation carried out by Lambert Smith Hampton on 24 July 2019 for The Greenhouse Business Centre and 14 March 2019 for all other investment properties. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties. The investments in property are held primarily for an investment return. An internal review is undertaken by the trustees annually.

Investment in subsidiary

	Investment in subsidiary £	Total £
Cost or Valuation		
At 1 April 2022	<u>1</u>	<u>1</u>
At 31 March 2023	<u>1</u>	<u>1</u>
Net book value		
At 31 March 2023	<u>1</u>	<u>1</u>
At 31 March 2022	<u>1</u>	<u>1</u>

Details of undertakings

The company's investments at the balance sheet date include an investment in The Greenhouse Company (Groundwork) Limited. Groundwork North East hold 100% of the ordinary share capital of The Greenhouse Company (Groundwork) Limited.

In the year to 31 March 2023 the subsidiary recorded a surplus of £119,304 (2022: £132,405) and had net assets of £203,724 (2022: £226,896).

Groundwork North East

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

17 Stock

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Stocks	<u>10,816</u>	<u>11,209</u>	<u>-</u>	<u>-</u>

18 Debtors

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	948,708	984,656	910,759	896,336
Due from group undertakings	-	-	130,525	44,729
Prepayments	96,495	35,831	72,900	35,831
Accrued income	796,836	1,208,189	796,836	1,177,440
Other debtors	<u>8,167</u>	<u>9,192</u>	<u>8,167</u>	<u>9,192</u>
	<u>1,850,206</u>	<u>2,237,868</u>	<u>1,919,187</u>	<u>2,163,528</u>

19 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	38,387	38,382	38,387	38,382
Trade creditors	294,550	329,886	258,751	294,087
Other taxation and social security	77,750	124,653	77,750	82,728
VAT	38,457	32,882	-	32,882
Other creditors	32,355	28,965	31,062	27,031
Accruals and deferred income	<u>1,341,173</u>	<u>1,705,208</u>	<u>1,307,825</u>	<u>1,684,668</u>
	<u>1,822,672</u>	<u>2,259,976</u>	<u>1,713,775</u>	<u>2,159,778</u>

Creditors due within one year includes the following liabilities on which security has been given:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Charity Bank Loan	27,739	27,736	27,739	27,736
Bounce back Loan	<u>10,648</u>	<u>10,646</u>	<u>10,648</u>	<u>10,646</u>
	<u>38,387</u>	<u>38,382</u>	<u>38,387</u>	<u>38,382</u>

Groundwork North East

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

20 Creditors: amounts falling due after one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	<u>268,289</u>	<u>294,371</u>	<u>268,289</u>	<u>294,371</u>

Creditors amounts falling due after more than one year includes the following liabilities on which security has been given:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Charity Bank Loan	241,730	258,230	241,730	258,230
Bounce back loan	<u>26,559</u>	<u>36,141</u>	<u>26,559</u>	<u>36,141</u>
	<u>268,289</u>	<u>294,371</u>	<u>268,289</u>	<u>294,371</u>

21 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 £344,100 (2022 - £343,523).

Contributions totalling £29,608 (2022 - £21,997) were payable to the scheme at the end of the year and are included in creditors.

22 Commitments

Group

Other financial commitments

The total amount of other financial commitments not provided in the financial statements was £Nil (2022 - £2,209).

Charity

Other financial commitments

The total amount of other financial commitments not provided in the financial statements was £Nil (2022 - £2,209).

Groundwork North East

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

23 Funds

Group

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
General					
General funds	1,214,247	1,092,421	(2,050,611)	1,029,910	1,285,967
Designated					
Revaluation reserve	12,920	-	-	-	12,920
The Greenhouse	2,010,000	-	-	-	2,010,000
Trustees Designated Reserve	-	-	-	100,000	100,000
	<u>2,022,920</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>2,122,920</u>
Total unrestricted funds	<u>3,237,167</u>	<u>1,092,421</u>	<u>(2,050,611)</u>	<u>1,129,910</u>	<u>3,408,887</u>
Restricted funds					
Property Fund - Greencroft Woodland Purchase	40,591	-	-	-	40,591
Property Fund - Cockermouth 2 Market St	17,612	-	-	-	17,612
Project funds	88,716	8,559,793	(7,481,618)	(1,129,910)	36,981
Land of Oak and Iron Heritage Centre Fund	<u>1,241,801</u>	<u>-</u>	<u>(26,669)</u>	<u>-</u>	<u>1,215,132</u>
Total restricted funds	<u>1,388,720</u>	<u>8,559,793</u>	<u>(7,508,287)</u>	<u>(1,129,910)</u>	<u>1,310,316</u>
Total funds	<u>4,625,887</u>	<u>9,652,214</u>	<u>(9,558,898)</u>	<u>-</u>	<u>4,719,203</u>

Restricted - Property funds

Grants were received for the refurbishment of 2 Market Street, Cockermouth. These are being written off in line with the depreciation policy of these assets.

The Greenhouse project represents funding for the construction of The Greenhouse, an investment asset. The restriction is reducing over a period of 15 years. The transfer from the restricted fund relates to the amount being reallocated to the designated fund, which together total the value of the investment.

The Greencroft Woodlands Purchase Fund is funding received to purchase woodland adjacent to the Greencroft Industrial Estate, Annfield Plain.

Groundwork North East

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

BBO Development Funding

Spending is restricted to future delivery of the Building Better Opportunities (BBO) programme.

Land of Oak & Iron Heritage Centre fund

The construction of the Land of Oak & Iron Heritage Centre was completed in September 2018. The funds equals the net book value of the asset.

Designated Fund - The Greenhouse

The fund represents the remaining unrestricted balance of the investment property. The transfer relates to the amount being reallocated from the restricted fund, which together total the value of the investment.

Designated Fund - Trustees Designated Fund

The Trustees Designated Fund is set aside in relation to an ongoing review of pay structures across the Trust.

Project funds

Project funds represent funding to enable specific projects to be undertaken in the year. Included in the charitable activities there are a number of funders and specific projects that need to be referred to specifically. These project funds are held in restricted reserves. The balance on Project funds is the overall net position on over 200 individual projects. The funds that require separate analysis are shown below:

Project	Funder	Balance B/Fwd £	Income £	Expenditure £	Balance C/Fwd £
River Tees Rediscovered	Heritage Lottery Fund	5,785	-	(9,281)	(3,496)
BBO - Choices	Big Lottery / European Social Fund	-	490,566	(490,566)	-
BBO - Step Forward Tees Valley	Big Lottery / European Social Fund	-	422,203	(440,571)	(18,368)
BBO - Reaching Out Accross Durham	Big Lottery / European Social Fund	-	372,450	(372,450)	-
BBO - Moving on Tyne and Wear	Big Lottery / European Social Fund	-	244,576	(214,041)	30,535
Eden Hill Young Peoples Project	Horden Youth and Community Centre	962	-	(962)	-
Norton Grange Lottery Funding	Heritage Lottery Fund	10,126	54,480	(55,302)	9,304
Big Local Easington	Local Trust	(75,662)	196,154	(102,005)	18,487
Multiply	Gateshead MBC / DfE	-	8,770	-	8,770
RC North East & Cumbria Region	National Lottery Community Fund	-	17,845	-	17,845
Western Perimeter Path	Livin Housing Limited	-	8,000	-	8,000

Groundwork North East

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

Reaching Out Across UK Shared Prosperity	-	-	(25,143)	(25,143)
Durham (2) Fund				

The above overdrawn projects are paid in arrears and the balance was paid to Groundwork post year end.

24 Analysis of net assets between funds

Group

	Unrestricted		Restricted	Total funds
	General	Designated		
	£	£	£	£
Tangible fixed assets	493,365	12,920	1,273,335	1,779,620
Fixed asset investments	180,000	2,010,000	-	2,190,000
Net current assets/(liabilities)	880,891	100,000	36,981	1,017,872
Creditors over 1 year	(268,289)	-	-	(268,289)
Total net assets	<u>1,285,967</u>	<u>2,122,920</u>	<u>1,310,316</u>	<u>4,719,203</u>

	Unrestricted			Total funds
	General	Designated	Restricted	at 31 March
	£	£	£	2022
	£	£	£	£
Tangible fixed assets	418,762	12,920	1,300,004	1,731,686
Fixed asset investments	180,000	2,010,000	-	2,190,000
Net current assets/(liabilities)	909,856	-	88,716	998,572
Creditors over 1 year	(294,371)	-	-	(294,371)
Total net assets	<u>1,214,247</u>	<u>2,022,920</u>	<u>1,388,720</u>	<u>4,625,887</u>

25 Analysis of net funds

Group

	At 1 April	Cash flow	At 31 March
	2022	movement	2023
	£	£	£
Cash at bank and in hand	1,009,741	(30,219)	979,522
Debt due within one year	(38,382)	(5)	(38,387)
Debt due after more than one year	<u>(294,371)</u>	<u>26,082</u>	<u>(268,289)</u>
Net funds	<u>676,988</u>	<u>(4,142)</u>	<u>672,846</u>

Groundwork North East

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

	At 1 April 2021 £	Cash flow movement £	At 31 March 2022 £
Cash at bank and in hand	564,679	444,792	1,009,471
Debt due within one year	(27,720)	(10,662)	(38,382)
Debt due after more than one year	<u>(325,971)</u>	<u>31,600</u>	<u>(294,371)</u>
Net funds	<u>210,988</u>	<u>465,730</u>	<u>676,718</u>

26 Related party transactions

The Trust is part of a national network of trusts being part of the Groundwork Federation. Any trading activities with other trusts are at arm's length on normal commercial terms.

The Trustees represent local authorities, businesses, community & voluntary organisations. All transactions with these bodies are on an arm's length basis.

Other Groundwork Trusts

The following transactions occurred with other Groundwork Trusts during the year;

Groundwork Trust	Sales in Year £	Purchases in year £	Amounts due/(owed) at year end £
Groundwork UK	24,866	363	24,503
Groundwork South and North Tyneside	20,361		20,361
Groundwork London	8,619	5,640	2,979
Groundwork South Yorkshire	1,893	-	1,893
Groundwork Yorkshire	113,068	17,740	95,328
Groundwork Ten North East Limited	367	-	367
Groundwork Cheshire, Lancashire & Merseyside	5,000		5,000

27 Contingent liabilities

On 15 March 2018 a legal charge was registered against Groundwork North East by the Trustees of The National Heritage Memorial Fund regarding a grant of £697,700 awarded for the Land of Oak and Iron project.

Accounts

Company registration number: 02702815

Charity registration number: 1017706

GROUNDWORK NORTH EAST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2022

Groundwork North East

Contents

Reference and Administrative Details	1
Chairman's Statement	2
Trustees' Report	3 to 11
Independent Auditors' Report	12 to 14
Consolidated Statement of Financial Activities	15
Comparative Consolidated Statement of Financial Activities	16
Consolidated Balance Sheet	17
Balance Sheet	18
Consolidated Statement of Cash Flows	19
Notes to the Financial Statements	20 to 38

Groundwork North East

Reference and Administrative Details

Trustees	A R Thurston J E Pritchard D C Pearce H Simmons (appointed 23 June 2021) T Justice A J J Hill Sir P M Ennals (appointed 23 June 2021) T T Case M F Schooler S C Thackray (resigned 22 September 2021) David Martin (resigned 28 September 2022)
Secretary	J P Heatherington
Key Management Personnel	K Culverhouse, Chief Executive Officer (resigned 30 September 2022) S Roberts (appointed 1 October 2022), Chief Executive Officer J P Heatherington, Director of Finance & Corporate Services
Registered Office	14 Parsons Court Welbury Way Newton Aycliffe County Durham DL5 6ZE The charity is incorporated in England and Wales.
Company Registration Number	02702815
Charity Registration Number	1017706
Auditor	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Groundwork North East

Chairman's Statement

The period of the financial year to 31 March 2022 continued to be impacted by the national emergency brought on by the global pandemic caused by the COVID-19 virus. Changes to operational procedures and project delivery continued to be necessary during the year, although there was a gradual easing of restrictions as the year progressed with COVID rules formally ending in England on 24 February 2022. Although this meant that Groundwork North East and Cumbria was unable to deliver a full programme of activities throughout the year, we were able to ramp up our project delivery as restrictions were eased.

The Trustees would like to express their gratitude and thanks to our Groundwork staff and volunteers for their support during the year as they worked to re-establish our programme of activities. The Trustees would also like to thank funders for their continuing support to enable delivery of programmes and for their flexibility in allowing activities to be rescheduled to adapt to the easing of Covid restrictions.

During the year we continued to deliver our business plan, supporting the delivery of key national priorities of Tackling Climate Change, Levelling Up Society and Improving People's Wellbeing that align to Groundwork's core purposes. As part of this, we continued to build relationships with our sister Trust, Groundwork South and North Tyneside in order to ensure that we maximise the opportunity of leveraging the government's Shared Prosperity Fund to ensure funding reaches those communities where it will have maximum impact.

We have also continued to grow our trading company's business as SMEs have been looking for the flexibility The Greenhouse is able to offer, and the Land of Oak and Iron Heritage Centre has benefitted from people wanting to re-engage with their local environment as lockdown eased.

During the year our Chief Executive, Kate Culverhouse, announced that she would be leaving Groundwork at the end of 2022 after a career with Groundwork spanning 30 years. Kate has made an enormous contribution to the Charity over the years and the Trustees would like to express their gratitude to Kate for her leadership of Groundwork and for her part in building Groundwork North East and Cumbria into what it is today. Kate will be missed. However, after a rigorous process, the Trustees have appointed Steve Roberts, currently our Director of Youth, Employment and Skills, as her successor and they are confident that Groundwork will continue to grow and develop under Steve's leadership.

In July 2022, Eddie Tomlinson resigned as Chair of the Greenhouse Trading Company after a long and distinguished career as a Trustee of both the Charity and Trading Company. The Trustees thank Eddie for his contribution over many years and wish him well as he moves on to new challenges.



Andrew Thurston 16 Dec 2022 08:39:54 GMT (UTC +0)

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A R Thurston
Trustee

Groundwork North East

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.

Structure, governance and management

Nature of governing document

The Trust is a registered charity and a company limited by guarantee and is governed by its Memorandum and Articles of Association.

The Trust is part of a national federation of independent Trusts, including the Groundwork national office and we continue to play a leading role in the development of Groundwork in the UK. Each Groundwork trust operates independently with their local partners to improve people's prospects, create better places and promote greener living and working.

Recruitment and appointment of trustees

Trustees who are also members of the Company serve a term to a maximum of three years and can be appointed for further terms subject to approval by the Board.

Induction and training of trustees

Trustees meet with the Chief Executive and Chairman for an introduction to the Trust. Trustees are invited and encouraged to sit on Board Committees.

Groundwork North East

Trustees' Report

Organisational structure

The Board of Trustees, which can have up to 15 members, administer the charity. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity.

During this financial year there were four meetings of the full Board, which received reports from committees which also met quarterly:

- Finance & Corporate Services Committee - Oversees the financial, personnel and health and safety activities of the Trust, recommends financial strategy to the Board and ensures that robust systems of financial management are in place.
- Strategic & Business Development Committee - Develops the Trust's forward Strategic and Business plans making recommendations to the Board via the Finance & Corporate Services Committee on specific opportunities.
- Compliance Committee - Oversees the Trust implementation of non-financial compliance, policies and procedures required to meet legal compliance, and regulatory requirements with regards Health & Safety Data Protection and Safeguarding.
- Social Enterprise Committee - oversees commercial and income generating objectives at The Greenhouse Business Centre and the Land of Oak and Iron Heritage Centre.

In addition to the formal Trustee committees, in line with our commitment to youth participation our Youth of Today board met throughout the year. Chaired by one of our Trustees, the objective of the group is to provide a platform for young voices to help inform the way we go about our work and that we are being evidenced based in our interventions.

At each meeting of the Board, presentations from areas of the business are received. Throughout the year presentations from staff on projects in the Youth Employment Initiative, Land & Communities Projects and an overview of the Social Enterprise businesses were made.

Our close working relationship with Groundwork South & North Tyneside continues to operate well within the organisation. The Strategic & Business Development and Compliance Committees were combined in January 2021, with the same structure operating throughout this Financial Year. Both of these committees are structured with representation from Trustees and Executives of both Trusts and includes cross working between the Trusts in specific operational areas such as Finance, HR, Health & Safety and Facilities.

Related parties and co-operation with other organisations

Trustees are drawn from the public, business and third sectors but do not represent any particular business or organisation. None of our trustees receive remuneration or other financial benefit from their work with the charity.

The Trust is part of a national network of independent trusts known as the Groundwork Federation.

The Trust has one wholly owned subsidiary company,

- The Greenhouse Company (Groundwork) Limited;

Details of any related party transactions are disclosed in Note 26 to the accounts.

Groundwork North East

Trustees' Report

Objectives and activities

The charity's purposes and activities are set out below. The activities are undertaken to further the Trusts' charitable purposes for the public benefit. The trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission and the trustees have paid due regard to this guidance in deciding what activities the Trust should undertake.

The company's charitable objects, as defined in the Memorandum & Articles of Association are:

- a. To promote the conservation, protection and improvement of the physical and natural environment anywhere in the North East and Cumbria regions of England.
- b. To provide facilities in the interests of recreation and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting to the North East and Cumbria.
- c. To advance the public education in environmental matters and of the ways of better conserving, protecting and improving the same whatsoever.
- d. To promote, for the public benefit, urban and rural regeneration in areas of social and economic deprivation.

What we do to meet our charitable objectives

To achieve these charitable objectives we deliver a diverse range of projects and programmes across the North East and Cumbria, under one of our three strategic programme areas.

- create better places - by making communities greener, safer and healthier and by enabling people to work together to bring about change in their local area.
- improve people's prospects - by increasing the confidence, skills, wellbeing and employability of those struggling in education or out of work.
- promote greener living and working - by helping people and businesses reduce their environmental impact, improve their health, cut waste and save money.

Our ambition is to build our visibility, our reputation and our resource base so that we can be a significant, radical, national force for driving change in attitudes, behaviours, places and prospects in the local communities that need it most.

Our collective delivery goals in the next three years are to:

- mobilise actions through projects to combat the climate and nature emergency.
- improve the wellbeing of people by connecting them with their community and with nature.
- help people improve their life chances through learning and work.

In order to deliver our goals, we will continue improving our own capability and resilience to ensure we are putting maximum resource into our front line delivery and investing in the right skills to improve the quality of our services and management.

Our Volunteers

We are extremely grateful for the assistance of our many volunteers who assist on a variety of projects, providing their time, energy and skills to help us reach more beneficiaries and increase our positive impact on the environment.

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 follow 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.

Groundwork North East

Trustees' Report

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.

Achievements and performance

Creating better places

- Successful delivery of two projects (Loftus Community Woodland and Natural Neighbourhoods) funded through the Green Recovery Challenge Fund. This project provided environmental improvements delivered by local young people on the Kick Start employment programme.
- Further development of our Nature-Based Solutions programme predominantly through successful delivery river restoration projects on the Blyth, Wansbeck, Tyne, Wear, Tees and Esk catchments.
- Successful implementation of public open space improvements in partnership with registered housing providers in South Lakeland, County Durham, Stockton-on-Tees; and local authorities in Darlington, Middlesbrough and Northumberland

Improving people's prospects

- Implementation of Green Doctors: Routes to Low Carbon Jobs - a green youth employment programme delivered in partnership with Groundwork Yorkshire.
- Significant over delivery of National Citizen Service activity, especially linked to supporting schools and students recover from the impact of the pandemic.
- Exceptionally high performing employment programmes including RESTART in Cumbria and our suite of Building Better Opportunities projects across the North East and Cumbria.
- Successful delivery of Kickstart, supporting 298 young people access employment during, and coming out of the pandemic.
- Established a pilot scheme to integrate delivery of employment programmes with provision of household energy advices through Groundwork's Green Doctor service.
- Establishment of a Youth Hub in Redcar and Peterlee in partnership with Job Centre Plus and other local stakeholders, helping to break down barriers to participation.

Promoting greener living and working

- Successful delivery of the Holiday Activities & Food programme in Sunderland, Gateshead, County Durham and Stockton-on-Tees resulting in support to 5,000 plus targeted children throughout the school holidays.
- Further development of our Green Doctor programme through successful delivery of energy advice and guidance to 500 plus targeted households Darlington, Sunderland, Gateshead and Barrow-in-Furness.
- Successful implementation of waste awareness projects in partnership with the South Tyne & Wear Waste Management Partnership and SUEZ Waste Recycling & Recovery.

Groundwork North East

Trustees' Report

Financial review

The Trust continued to build positively as we moved out of the pandemic. Where the previous two periods were punctuated by restrictions enforced both nationally and by our funders, the ability for our teams to continue to bid and successfully deliver a huge range of diverse projects improved significantly.

At the end of the Financial Year, the Trust had a total of 195 live projects across the Trust, many of which are multi-year projects, securing income into the future. The nature of our delivery programmes continues to evolve, as does the diversity of projects we deliver.

Group turnover to March 2022 was £9.1m, v £6.6m in 2021, returning the business to the levels of pre-pandemic turnover.

Consolidated cash balances increased in the year to £1.01m, up from £564.7k.

Our principal sources of funding continue to be from the European Social Fund, Big Lottery Fund, Heritage Lottery Fund, National Citizen Trust and Thirteen Housing Group.

The Greenhouse office building continues to house a range of tenants from start up to SME, as well as providing a high level of quality business meeting space. Investments in technology over the year have put the business on a good foundation, which is reflected by the number of tenants wanting to base themselves with us.

The Land of Oak and Iron Heritage Centre was significantly affected by the pandemic. Having moved out of the restrictions placed upon the hospitality industry, our offering continued to adapt to the new ways in which customers interacted with the centre. We were able to offer a near full programme of diverse events, providing interesting and engaging events to our customers, including our popular Bird Walks, Meet the Maker events and activities for children during school holidays.

Some of our funders require details to be included in our Financial Statements, which is provided as part of note 23.

Groundwork North East

Trustees' Report

Policy on reserves

In accordance with guidelines issued by the Charity Commission, the Trust considers it prudent to maintain a reasonable level of unrestricted reserves. Reserves are freely available to spend on any of the Trust's charitable purposes and are required to be able to deal appropriately with the following:

- Invest in future business opportunities
- Invest in improved infrastructure, systems and services
- Provide working capital to fund programmes where there is a significant timing difference between incurring expenditure and receipt of funds
- Provide a contingency fund against unforeseen events and risks.

The reserves policy has been determined using the Charity Commission guidance, the target is based on an amount equivalent to three months staff and overhead costs, which equates to £1.2m at 31 March 2022. This compares to actual free reserves of £909,856. The Trust is aiming to achieve growth in delivery of programmes and enterprise activity over a number of years, which will generate surplus funds to supplement reserves and move towards the target level.

At 31 March 2022 the Trust held reserves of £4,625,887, of which £1,388,720 were restricted funds.

The Trust maintains the following funds:

Restricted Funds and Use of the Funds

- The Greenhouse property - Relating to the building of the Greenhouse Business Centre
- Greencroft Woodland Purchase - Purchase of the woodland
- Cockermouth property - Funding used for property refurbishments
- BBO Development - Future delivery of the Building Better Opportunities programme
- Projects - Future delivery of specific projects
- Land of Oak and Iron Heritage Centre - Relates to the capital spend on the Heritage Centre, the fund equals the net book value of the asset at the end of the year.

Designated Funds

- Business Development - Future development costs and business opportunities
- Projects - Surplus from projects to be used in programme delivery
- The Greenhouse - Unrestricted balance of the Greenhouse Investment property.

Investment policy and objectives

Under the Memorandum and Articles of Association, the Trust has the power to make any investment which the Board see fit.

Key Management Personnel

The board, who give their time freely and no trustees received remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity, as noted in the Reference and Administration section. Together with the board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day to day basis. The pay of the KMP is reviewed annually and normally increased in accordance with average earnings. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the charity can afford any proposed increases. The board then agree any uplift to remuneration.

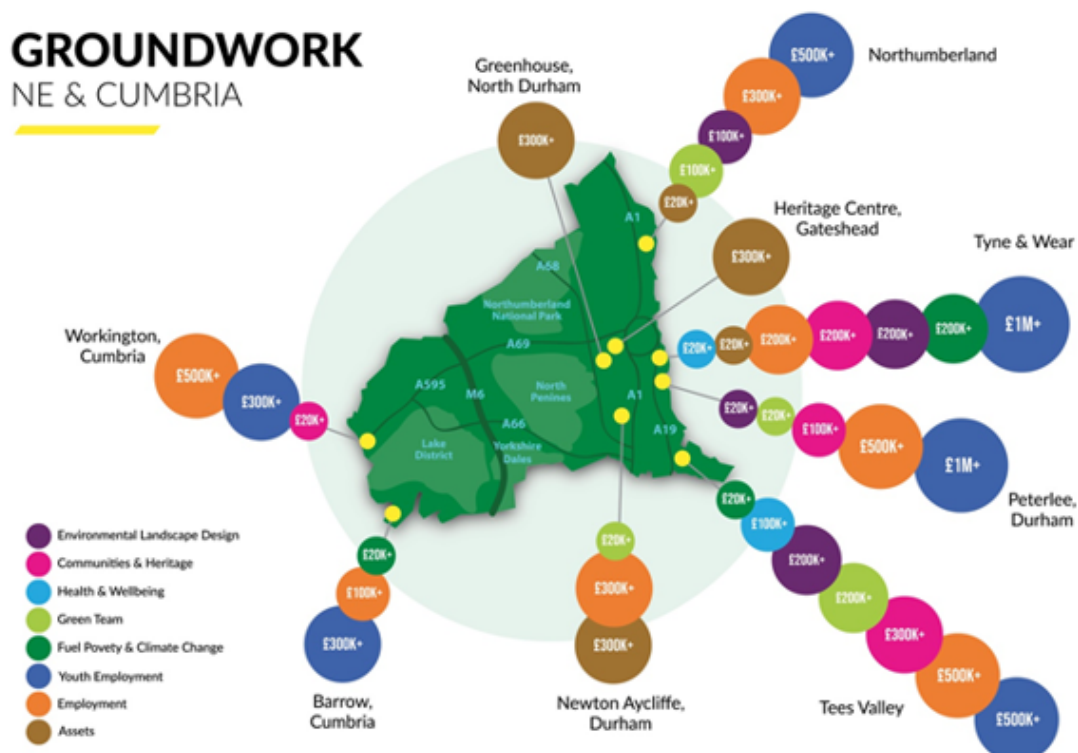
Groundwork North East

Trustees' Report

Going concern

In the year to 31 March 2022, there was a net surplus in the year of £457,865 for the Group. General unrestricted funds showed a surplus of £341,868. The Trustees have reviewed the Trust Business Plan for 2022 – 2023, which aims for a surplus of £103k. The business plan is sufficient to secure the immediate future of the charity for at least the next 12 to 18 months. On this basis, we consider that the Trust is a going concern.

Plans for future periods



Groundwork's income base and operational plans continue to be heavily influenced by public sector policy - either due to the direct delivery of public service contracts or the impact of government policy on the priorities of other agencies and businesses.

We have sought to identify the areas where the Trust will benefit from National, Northern or local coordination, whether to improve positioning or performance, or in securing funds which can't be accessed by ourselves alone.

Our short-term plan sits within a longer-term programme of income diversification, achieving a better mix of restricted and unrestricted income through investment in the skills and capacity required to drive new types of fundraising and commercial revenue generation.

Groundwork North East

Trustees' Report

The way we go about our work will be informed by our commitment to 'the Groundwork approach' as set out in our collectively agreed strategy.

- We will invest in the places and people that need us most - prioritising our resources to bring about lasting change by building skills and capacity within the local communities where we can make most difference.
- We will work with local leaders and listen to local voices - ensuring our work is fully informed by those it is designed to benefit and adds value to the assets that exist in local areas.
- We will grow a culture of equality and inclusion - operating transparently and with integrity and seeking out a diversity of viewpoints, both in the work we do and the people we employ.
- We will be committed to collaboration - forging strong partnerships, contributing to a thriving community sector and helping others lead where this will achieve greater impact.
- We will act as environmental exemplars - championing practical action to combat the climate and nature emergency and measuring and reducing our own environmental impact.

For Groundwork NE & Cumbria this means:

- Positioning/ profile raising - Embedding and promoting a clear USP with more strategic positioning. Integrating a green thread through all that we do.
- Reducing Inequality - Engaging with Government Levelling Up and devolution agendas. Tackling inequality, reducing poverty through employability and engagement. Enabling Green Jobs. Combatting food/fuel poverty and health inequality, restoring pride of place in areas needing it most.
- Nature Based Solutions - Investment in quality places and landscapes, developing Nature Based Solution in landscape and community programmes to mitigate impacts of dual climate and biodiversity crisis. Deliver carbon sequestration and/or biodiversity net gain.
- Climate Action - Implementing our Net Zero Action Plan to have net zero carbon emissions by 2030.

Our plan is underpinned by the values developed by our team. We will be environmentally aware and focused on communities in need. We will be collaborative, show integrity and strive for quality in everything we do.

The next Financial Year, to March 2023 is the last of the current three year Federation action plan. Our team are fully engaged with the renewal process for future years which will be launched during 2023.

Trading Activities

The Greenhouse Environmental Business Centre in Annfield Plain was established as an eco-Centre in 2005 and provides high quality facilities for our tenants. With an on-site wind turbine, c80% of electricity used in the building was generated from this facility. The environmental credentials of the building will continue to be improved and where relevant, leading technologies to cement this unique proposition in the area will be continued.

At our Land of Oak and Iron Heritage Centre in Winlaton Mill, we are proud to promote and celebrate local heritage and history of the Derwent Valley and surrounding areas. The centre attracts significant visitor numbers from the local population due to the convenience of the site and amenities provided. The centre continues to engage through on site events and an active social media presence. A quality food and drink offer is constantly being updated to encourage repeat visits.

To further engage with visitors, a range of activities, events and heritage centred installations are being planned to enable the centre to be used as a gateway to the wider Land of Oak and Iron project, which includes closer working relationships with local interest groups associated to the area.

Groundwork North East

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Groundwork North East 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 16/12/2022..... and signed on its behalf by:



Andrew Thurston 16 Dec 2022 08:39:54 GMT (UTC +0)

.....
A R Thurston
Trustee

Groundwork North East

Independent Auditor's Report to the Members of Groundwork North East

Opinion

We have audited the financial statements of Groundwork North East (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 North East

Independent Auditor's Report to the Members of Groundwork North East

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 11), 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 North East

Independent Auditor's Report to the Members of Groundwork North East

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. This description forms part of our auditor's report.

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: 19-12-22

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

Groundwork North East

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)

				Total 2022 £	(As restated) Total 2021 £
	Note	Unrestricted £	Restricted £		
Income and Endowments from:					
Donations and legacies	3	27,211	-	27,211	550,431
Charitable activities	4	-	8,291,914	8,291,914	5,472,960
Other trading activities	5	724,798	-	724,798	465,760
Investment income	6	52,560	-	52,560	53,407
Other income	7	45,025	-	45,025	64,282
Total Income		<u>849,594</u>	<u>8,291,914</u>	<u>9,141,508</u>	<u>6,606,840</u>
Expenditure on:					
Raising funds	8	(599,963)	-	(599,963)	(402,483)
Charitable activities	9	<u>(540,989)</u>	<u>(7,542,691)</u>	<u>(8,083,680)</u>	<u>(6,070,322)</u>
Total Expenditure		<u>(1,140,952)</u>	<u>(7,542,691)</u>	<u>(8,683,643)</u>	<u>(6,472,805)</u>
Net (expenditure)/income		(291,358)	749,223	457,865	134,035
Transfers between funds		633,226	(633,226)	-	-
Other recognised gains and losses					
Other gains/losses		<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,307)</u>
Net movement in funds		341,868	115,997	457,865	122,728
Reconciliation of funds					
Total funds brought forward		<u>2,895,299</u>	<u>1,272,723</u>	<u>4,168,022</u>	<u>4,045,294</u>
Total funds carried forward	23	<u>3,237,167</u>	<u>1,388,720</u>	<u>4,625,887</u>	<u>4,168,022</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 North East

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 £	Restricted £	Total 2021 £
Income and Endowments from:				
Donations and legacies	3	550,236	195	550,431
Charitable activities	4	-	5,472,960	5,472,960
Other trading activities	5	465,760	-	465,760
Investment income	6	53,407	-	53,407
Other income	7	64,282	-	64,282
Total income		<u>1,133,685</u>	<u>5,473,155</u>	<u>6,606,840</u>
Expenditure on:				
Raising funds	8	(402,483)	-	(402,483)
Charitable activities	9	<u>(851,632)</u>	<u>(5,218,690)</u>	<u>(6,070,322)</u>
Total expenditure		<u>(1,254,115)</u>	<u>(5,218,690)</u>	<u>(6,472,805)</u>
Net (expenditure)/income		(120,430)	254,465	134,035
Transfers between funds		76,870	(76,870)	-
Other recognised gains and losses				
Other gains/losses		<u>(11,307)</u>	<u>-</u>	<u>(11,307)</u>
Net movement in funds		(54,867)	177,595	122,728
Reconciliation of funds				
Total funds brought forward		<u>2,950,166</u>	<u>1,095,128</u>	<u>4,045,294</u>
Total funds carried forward	23	<u><u>2,895,299</u></u>	<u><u>1,272,723</u></u>	<u><u>4,168,022</u></u>

Groundwork North East

(Registration number: 02702815)

Consolidated Balance Sheet as at 31 March 2022

	Note	2022 £	(As restated) 2021 £
Fixed assets			
Tangible assets	15	1,731,686	1,722,965
Investments	16	<u>2,190,000</u>	<u>2,190,000</u>
		<u>3,921,686</u>	<u>3,912,965</u>
Current assets			
Stocks	17	11,209	7,044
Debtors	18	2,237,868	1,273,508
Cash at bank and in hand		<u>1,009,471</u>	<u>564,679</u>
		3,258,548	1,845,231
Creditors: Amounts falling due within one year	19	<u>(2,259,976)</u>	<u>(1,264,203)</u>
Net current assets		<u>998,572</u>	<u>581,028</u>
Total assets less current liabilities		4,920,258	4,493,993
Creditors: Amounts falling due after more than one year	20	<u>(294,371)</u>	<u>(325,971)</u>
Net assets		<u>4,625,887</u>	<u>4,168,022</u>
Funds of the group:			
Restricted		<u>1,388,720</u>	<u>1,272,723</u>
Unrestricted income funds			
Designated funds		2,022,920	2,022,920
General funds		<u>1,214,247</u>	<u>872,379</u>
Total unrestricted funds		<u>3,237,167</u>	<u>2,895,299</u>
Total funds	23	<u>4,625,887</u>	<u>4,168,022</u>

The financial statements on pages 15 to 38 were approved by the trustees, and authorised for issue on 16/12/2022.... and signed on their behalf by:


 Andrew Thurston 16 Dec 2022 08:39:54 GMT (UTC +0)
 A R Thurston
 Trustee


 Amber Hill 19 Dec 2022 16:27:38 GMT (UTC +0)
 A J J Hill
 Trustee

Groundwork North East

(Registration number: 02702815) Balance Sheet as at 31 March 2022

	Note	2022 £	(As restated) 2021 £
Fixed assets			
Tangible assets	15	1,726,026	1,713,858
Investments	16	2,190,001	2,190,001
		<u>3,916,027</u>	<u>3,903,859</u>
Current assets			
Debtors	18	2,163,528	1,191,262
Cash at bank and in hand		781,155	411,181
		<u>2,944,683</u>	<u>1,602,443</u>
Creditors: Amounts falling due within one year	19	<u>(2,159,778)</u>	<u>(1,230,811)</u>
Net current assets		<u>784,905</u>	<u>371,632</u>
Total assets less current liabilities		4,700,932	4,275,491
Creditors: Amounts falling due after more than one year	20	<u>(294,371)</u>	<u>(325,971)</u>
Net assets		<u>4,406,561</u>	<u>3,949,520</u>
Funds of the charity:			
Restricted		<u>1,388,720</u>	<u>1,272,723</u>
Unrestricted income funds			
Designated funds		2,022,920	2,022,920
Unrestricted funds		<u>994,921</u>	<u>653,877</u>
Total unrestricted funds		<u>3,017,841</u>	<u>2,676,797</u>
Total funds	23	<u>4,406,561</u>	<u>3,949,520</u>

The financial statements on pages 15 to 38 were approved by the trustees, and authorised for issue on 16/12/2022... and signed on their behalf by:


Andrew Thurston 16 Dec 2022 08:39:54 GMT (UTC +0)

A R Thurston
 Trustee


Amber Hill 19 Dec 2022 16:27:38 GMT (UTC +0)

A J J Hill
 Trustee

Groundwork North East

Consolidated Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	(As restated) 2021 £
Cash flows from operating activities			
Net cash income		457,865	134,035
Adjustments to cash flows from non-cash items			
Depreciation	15	48,975	57,557
Investment income	6	(52,560)	(53,407)
Loss on disposal of investments		-	20,000
		<u>454,280</u>	<u>158,185</u>
Working capital adjustments			
(Increase)/decrease in stocks	17	(4,165)	1,953
Increase in debtors	18	(964,360)	(33,192)
Increase/(decrease) in creditors	19	<u>985,110</u>	<u>(315,225)</u>
Net cash flows from operating activities		<u>470,865</u>	<u>(188,279)</u>
Cash flows from investing activities			
Interest receivable and similar income	6	52,560	53,407
Purchase of tangible fixed assets	15	(57,695)	-
Sale of investments		-	(11,307)
Net cash flows from investing activities		<u>(5,135)</u>	<u>42,100</u>
Cash flows from financing activities			
Value of new loans obtained during the period		-	50,000
Repayment of loans and borrowings	19	<u>(20,938)</u>	<u>(17,236)</u>
Net cash flows from financing activities		<u>(20,938)</u>	<u>32,764</u>
Net increase/(decrease) in cash and cash equivalents		444,792	(113,415)
Cash and cash equivalents at 1 April		<u>564,679</u>	<u>678,094</u>
Cash and cash equivalents at 31 March		<u><u>1,009,471</u></u>	<u><u>564,679</u></u>

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

Groundwork North East

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

The address of its registered office is: 14 Parsons Court, Welbury Way, Newton Aycliffe, County Durham, DL5 6ZE

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 North East 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.

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 surplus after tax for the financial year of £457,041 (2021 - surplus of £125,462).

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.

Groundwork North East

Notes to the Financial Statements for the Year Ended 31 March 2022

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.

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.

Rental income is recognised once the charity has received the income.

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.

Groundwork North East

Notes to the Financial Statements for the Year Ended 31 March 2022

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.

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 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
Leasehold improvements	over the remaining unexpired term of the lease
Freehold property	over 50 years
Furniture and equipment	over 4 years
Motor vehicles	over 3 years
Computer and software	over 3 years

Investments

Fixed asset investments are stated at cost less provision for diminution in value. Those stated as current assets are stated at the lower of cost and net realisable value.

Investment property is included at open market value, which is updated every five years by an independent, chartered surveyor. Each year, trustees review the valuations in order to identify any impairment that is due.

Stock

Stock and work in progress are valued at the lower of cost and net realisable value.

Groundwork North East

Notes to the Financial Statements for the Year Ended 31 March 2022

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.

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.

Hire purchase and finance leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Groundwork North East

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.

Financial Instruments

The Trust 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.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Donations and legacies;			
Donations from individuals	18,156	-	18,156
Grants, including capital grants;			
Government grants	9,055	-	9,055
	<u>27,211</u>	<u>-</u>	<u>27,211</u>
	Unrestricted funds General £	Restricted funds £	Total 2021 £
Donations and legacies;			
Donations from individuals	927	195	1,122
Grants, including capital grants;			
Government grants	502,174	-	502,174
Grants from other charities	47,135	-	47,135
	<u>550,236</u>	<u>195</u>	<u>550,431</u>

4 Income from charitable activities

	Restricted funds £	Total 2022 £
Improve people's prospects	6,455,185	6,455,185
Create better places	1,505,183	1,505,183
Promote greener living and working	331,546	331,546
	<u>8,291,914</u>	<u>8,291,914</u>

Groundwork North East

Notes to the Financial Statements for the Year Ended 31 March 2022

	Restricted funds £	Total 2021 £
Improve people's prospects	3,852,822	3,852,822
Create better places	1,360,323	1,360,323
Promote greener living and working	259,815	259,815
	<u>5,472,960</u>	<u>5,472,960</u>

5 Income from other trading activities

	Unrestricted funds General £	Total 2022 £
Trading activities		
The Greenhouse Company (Groundwork) Limited	724,798	724,798
	<u>724,798</u>	<u>724,798</u>

	Unrestricted funds General £	Total 2021 £
Trading activities		
The Greenhouse Company (Groundwork) Limited	465,760	465,760
	<u>465,760</u>	<u>465,760</u>

6 Investment income

	Unrestricted funds General £	Total 2022 £
Interest receivable and similar income;		
Interest receivable on bank deposits	33	33
Income from rents	52,527	52,527
	<u>52,560</u>	<u>52,560</u>

	Unrestricted funds General £	Total 2021 £
Interest receivable and similar income;		
Interest receivable on bank deposits	292	292
Income from rents	53,115	53,115
	<u>53,407</u>	<u>53,407</u>

Groundwork North East

Notes to the Financial Statements for the Year Ended 31 March 2022

7 Other income

	Unrestricted funds General £	Total 2022 £
Other income	45,025	45,025
	Unrestricted funds General £	Total 2021 £
Other income	64,282	64,282

8 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Trading subsidiary costs	599,963	599,963	402,483
	599,963	599,963	402,483

9 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2022 £
Improve people's prospects	5,887,689	751,533	6,639,222
Create better places	1,024,207	340,422	1,364,629
Promote greener living and working	61,734	18,095	79,829
	6,973,630	1,110,050	8,083,680
	Activity undertaken directly £	Activity support costs £	2021 £
Improve people's prospects	3,141,047	638,796	3,779,843
Create better places	1,835,985	280,748	2,116,733
Promote greener living and working	150,702	23,044	173,746
	5,127,734	942,588	6,070,322

Groundwork North East

Notes to the Financial Statements for the Year Ended 31 March 2022

10 Analysis of support costs

Support costs allocated to charitable activities

	Governance costs £	Other support costs £	Total 2022 £
Staffing	-	552,847	552,847
Transport	-	12,830	12,830
Premises	-	74,722	74,722
Supplies and services	-	358,266	358,266
Legal fees	-	52,910	52,910
Audit fees	9,500	-	9,500
Depreciation	-	48,975	48,975
	<u>9,500</u>	<u>1,100,550</u>	<u>1,110,050</u>
	Governance costs £	Other support costs £	Total 2021 £
Staffing	-	467,178	467,178
Transport	-	10,935	10,935
Premises	-	50,672	50,672
Supplies and services	-	289,992	289,992
Legal fees	-	74,613	74,613
Audit fees	9,000	-	9,000
Depreciation	-	40,198	40,198
	<u>9,000</u>	<u>933,588</u>	<u>942,588</u>

The Trust initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the three key programme areas delivered in the year. The basis of the apportionment of the costs is pro-rata to the expenditure on each programme area.

Groundwork North East

Notes to the Financial Statements for the Year Ended 31 March 2022

11 Net incoming/outgoing resources

Net incoming resources for the year include:

	2022	2021
	£	£
Audit fees	9,500	9,000
Other non-audit services	3,250	3,075
Loss on disposal of investments	-	11,307
Depreciation of fixed assets	<u>48,975</u>	<u>40,198</u>

12 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 North East

Notes to the Financial Statements for the Year Ended 31 March 2022

13 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	4,577,081	3,523,140
Social security costs	316,971	256,265
Pension costs	<u>343,523</u>	<u>139,089</u>
	<u><u>5,237,575</u></u>	<u><u>3,918,494</u></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 No	2021 No
Number of staff	<u>182</u>	<u>152</u>

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

	2022 No	2021 No
£60,001 - £70,000	1	1
£70,001 - £80,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the group were £145,475 (2021 - £160,469).

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 North East

Notes to the Financial Statements for the Year Ended 31 March 2022

15 Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2021	1,993,175	493,608	53,742	2,540,525
Additions	39,835	17,860	-	57,695
At 31 March 2022	<u>2,033,010</u>	<u>511,468</u>	<u>53,742</u>	<u>2,598,220</u>
Depreciation				
At 1 April 2021	279,316	484,501	53,742	817,559
Charge for the year	39,824	9,151	-	48,975
At 31 March 2022	<u>319,140</u>	<u>493,652</u>	<u>53,742</u>	<u>866,534</u>
Net book value				
At 31 March 2022	<u>1,713,870</u>	<u>17,816</u>	<u>-</u>	<u>1,731,686</u>
At 31 March 2021	<u>1,713,859</u>	<u>9,107</u>	<u>-</u>	<u>1,722,966</u>

Included within the net book value of land and buildings above is £451,273 (2021 - £460,723) in respect of freehold land and buildings and £1,262,597 (2021 - £1,253,135) in respect of leasehold properties.

Charity

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2021	1,993,175	419,919	53,742	2,466,836
Additions	39,835	12,156	-	51,991
At 31 March 2022	<u>2,033,010</u>	<u>432,075</u>	<u>53,742</u>	<u>2,518,827</u>
Depreciation				
At 1 April 2021	279,316	419,919	53,742	752,977
Charge for the year	39,824	-	-	39,824
At 31 March 2022	<u>319,140</u>	<u>419,919</u>	<u>53,742</u>	<u>792,801</u>
Net book value				
At 31 March 2022	<u>1,713,870</u>	<u>12,156</u>	<u>-</u>	<u>1,726,026</u>
At 31 March 2021	<u>1,713,859</u>	<u>-</u>	<u>-</u>	<u>1,713,859</u>

Included within the net book value of land and buildings above is £451,273 (2021 - £460,723) in respect of freehold land and buildings and £1,262,597 (2021 - £1,253,135) in respect of leasehold properties.

Groundwork North East

Notes to the Financial Statements for the Year Ended 31 March 2022

16 Fixed asset investments

Group

	2022 £	2021 £
Investment properties	<u>2,190,000</u>	<u>2,190,000</u>
Investment properties		Investment properties £
Cost or Valuation		
At 1 April 2021		<u>2,190,000</u>
Provision		
At 31 March 2022		<u>-</u>
Net book value		
At 31 March 2022		<u>2,190,000</u>
At 31 March 2021		<u>2,190,000</u>

The fair value of the investment properties have been arrived at on the basis of a valuation carried out by Lambert Smith Hampton on 24 July 2019 for The Greenhouse Business Centre and 14 March 2019 for all other investment properties. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties. The investments in property are held primarily for an investment return. An internal review is undertaken by the trustees annually.

Charity

	2022 £	2021 £
Investment properties	2,190,000	2,190,000
Other investments	<u>1</u>	<u>1</u>
	<u>2,190,001</u>	<u>2,190,001</u>

Groundwork North East

Notes to the Financial Statements for the Year Ended 31 March 2022

Investment properties

	Investment properties £
Cost or Valuation	
At 1 April 2021	<u>2,190,000</u>
Provision	
At 31 March 2022	<u>-</u>
Net book value	
At 31 March 2022	<u>2,190,000</u>
At 31 March 2021	<u>2,190,000</u>

The fair value of the investment properties have been arrived at on the basis of a valuation carried out by Lambert Smith Hampton on 24 July 2019 for The Greenhouse Business Centre and 14 March 2019 for all other investment properties. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties. The investments in property are held primarily for an investment return. An internal review is undertaken by the trustees annually.

Investment in subsidiary

	Investment in subsidiary £	Total £
Cost or Valuation		
At 1 April 2021	<u>1</u>	<u>1</u>
At 31 March 2022	<u>1</u>	<u>1</u>
Net book value		
At 31 March 2022	<u>1</u>	<u>1</u>
At 31 March 2021	<u>1</u>	<u>1</u>

Details of undertakings

The company's investments at the balance sheet date include an investment in The Greenhouse Company (Groundwork) Limited. Groundwork North East hold 100% of the ordinary share capital of The Greenhouse Company (Groundwork) Limited.

In the year to 31 March 2022 the subsidiary recorded a surplus of £124,835 (2021: £106,653) and had net assets of £343,338 (2021: £218,503).

Groundwork North East

Notes to the Financial Statements for the Year Ended 31 March 2022

17 Stock

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Stocks	<u>11,209</u>	<u>7,044</u>	<u>-</u>	<u>-</u>

18 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	984,656	843,218	896,336	693,271
Due from group undertakings	-	-	44,729	85,164
Prepayments	35,831	-	35,831	-
Accrued income	1,208,189	425,496	1,177,440	408,162
Other debtors	<u>9,192</u>	<u>4,794</u>	<u>9,192</u>	<u>4,665</u>
	<u>2,237,868</u>	<u>1,273,508</u>	<u>2,163,528</u>	<u>1,191,262</u>

19 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£ (As restated)	£	£ (As restated)
Bank loans	38,382	27,720	38,382	27,720
Trade creditors	329,886	235,545	294,087	207,910
Other taxation and social security	124,653	203,875	82,728	203,875
VAT	32,882	-	32,882	-
Other creditors	28,965	3,108	27,031	3,108
Accruals and deferred income	<u>1,705,208</u>	<u>793,955</u>	<u>1,684,668</u>	<u>788,198</u>
	<u>2,259,976</u>	<u>1,264,203</u>	<u>2,159,778</u>	<u>1,230,811</u>

Creditors due within one year includes the following liabilities on which security has been given:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Charity Bank Loan	27,736	27,720	27,736	27,720
Bounce back Loan	<u>10,646</u>	<u>-</u>	<u>10,646</u>	<u>-</u>
	<u>38,382</u>	<u>27,720</u>	<u>38,382</u>	<u>27,720</u>

Groundwork North East

Notes to the Financial Statements for the Year Ended 31 March 2022

20 Creditors: amounts falling due after one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	<u>294,371</u>	<u>325,971</u>	<u>294,371</u>	<u>325,971</u>

Creditors amounts falling due after more than one year includes the following liabilities on which security has been given:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Charity Bank Loan	258,230	275,971	258,230	275,971
Bounce back loan	<u>36,141</u>	<u>50,000</u>	<u>36,141</u>	<u>50,000</u>
	<u>294,371</u>	<u>325,971</u>	<u>294,371</u>	<u>325,971</u>

The bank loan with Charity Bank was taken out during 2019/20. The loan is secured by a fixed charge over land lying to the east of Greencroft Parkway. The loan is repayable over 15 years by way of monthly repayments. Interest is charged at a variable rate of 3.35% above base rate.

The Bounceback loan is an unsecured loan, repayable over 5 years by way of monthly repayments. Interest is charged at a fixed rate of 2.5%

21 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 £343,523 (2021 - £139,089).

Contributions totalling £21,997 (2021 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

22 Commitments

Group

Other financial commitments

The total amount of other financial commitments not provided in the financial statements was £2,209 (2021 - £Nil).

Charity

Other financial commitments

The total amount of other financial commitments not provided in the financial statements was £2,209 (2021 - £Nil).

Groundwork North East

Notes to the Financial Statements for the Year Ended 31 March 2022

23 Funds

Group

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Unrestricted funds					
General					
General funds	872,379	849,594	(1,140,952)	633,226	1,214,247
Designated					
Revaluation reserve	12,920	-	-	-	12,920
The Greenhouse	2,010,000	-	-	-	2,010,000
	<u>2,022,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,022,920</u>
Total unrestricted funds	<u>2,895,299</u>	<u>849,594</u>	<u>(1,140,952)</u>	<u>633,226</u>	<u>3,237,167</u>
Restricted funds					
Property Fund - Greencroft Woodland Purchase	40,591	-	-	-	40,591
Property Fund - Cockermouth 2 Market St	17,612	-	-	-	17,612
Project funds	(29,678)	8,291,914	(7,515,727)	(657,793)	88,716
Land of Oak and Iron Heritage Centre Fund	<u>1,244,198</u>	<u>-</u>	<u>(26,964)</u>	<u>24,567</u>	<u>1,241,801</u>
Total restricted funds	<u>1,272,723</u>	<u>8,291,914</u>	<u>(7,542,691)</u>	<u>(633,226)</u>	<u>1,388,720</u>
Total funds	<u>4,168,022</u>	<u>9,141,508</u>	<u>(8,683,643)</u>	<u>-</u>	<u>4,625,887</u>

Restricted - Property funds

Grants were received for the refurbishment of 2 Market Street, Cockermouth. These are being written off in line with the depreciation policy of these assets.

The Greenhouse project represents funding for the construction of The Greenhouse, an investment asset. The restriction is reducing over a period of 15 years. The transfer from the restricted fund relates to the amount being reallocated to the designated fund, which together total the value of the investment.

The Greencroft Woodlands Purchase Fund is funding received to purchase woodland adjacent to the Greencroft Industrial Estate, Annfield Plain.

Groundwork North East

Notes to the Financial Statements for the Year Ended 31 March 2022

BBO Development Funding

Spending is restricted to future delivery of the Building Better Opportunities (BBO) programme.

Land of Oak & Iron Heritage Centre fund

The construction of the Land of Oak & Iron Heritage Centre was completed in September 2018. The funds equals the net book value of the asset.

Designated Fund - The Greenhouse

The fund represents the remaining unrestricted balance of the investment property. The transfer relates to the amount being reallocated from the restricted fund, which together total the value of the investment.

Project funds

Project funds represent funding to enable specific projects to be undertaken in the year. Included in the charitable activities there are a number of funders and specific projects that need to be referred to specifically. These project funds are held in restricted reserves. The balance on Project funds is the overall net position on over 200 individual projects. The funds that require separate analysis are shown below:

Project	Funder	Balance B/Fwd £	Income £	Expenditure £	Balance C/Fwd £
River Tees Rediscovered	Heritage Lottery Fund	36,570	-	(30,785)	5,785
BBO - Choices	Big Lottery / European Social Fund	29,278	436,907	(466,185)	-
BBO - Step Forward Tees Valley	Big Lottery / European Social Fund	-	473,344	(473,344)	-
BBO - Reaching Out Accross Durham	Big Lottery / European Social Fund	15,230	413,489	(428,719)	-
BBO - Moving on Tyne and Wear	Big Lottery / European Social Fund	-	263,196	(263,196)	-
Eden Hill Young Peoples Project	Horden Youth and Community Centre	-	19,072	(18,110)	962
#iwill - Virgin Money	Virgin Money Foundation	9,304	-	(9,304)	-
Norton Grange Lottery Funding	Heritage Lottery Fund	41,753	50,905	(82,532)	10,126
Big Local Easington	Local Trust	(10,107)	72,214	(137,769)	(75,662)

The above overdrawn project is paid in arrears and the balance was paid to Groundwork post year end.

Groundwork North East

Notes to the Financial Statements for the Year Ended 31 March 2022

24 Analysis of net assets between funds

Group

	Unrestricted		Restricted	Total funds
	General	Designated		
	£	£	£	£
Tangible fixed assets	418,762	12,920	1,300,004	1,731,686
Fixed asset investments	180,000	2,010,000	-	2,190,000
Net current assets/(liabilities)	909,856	-	88,716	998,572
Creditors over 1 year	(294,371)	-	-	(294,371)
Total net assets	1,214,247	2,022,920	1,388,720	4,625,887

	Unrestricted			Total funds at 31 March 2021
	General	Designated	Restricted	
	£	£	£	£
Tangible fixed assets	407,644	12,920	1,302,401	1,722,965
Fixed asset investments	180,000	2,010,000	-	2,190,000
Net current assets/(liabilities)	610,706	-	(29,678)	581,028
Creditors over 1 year	(325,971)	-	-	(325,971)
Total net assets	872,379	2,022,920	1,272,723	4,168,022

25 Analysis of net funds

Group

	At 1 April 2021	Cash flow movement	New finance agreements	At 31 March 2022
	£	£	£	£
Cash at bank and in hand	564,679	444,792	-	1,009,471
Debt due within one year	(27,720)	(10,662)	-	(38,382)
Debt due after more than one year	(325,971)	31,600	-	(294,371)
Net funds	210,988	465,730	-	676,718

	At 1 April 2020	Cash flow movement	New finance agreements	At 31 March 2021
	£	£	£	£
Cash at bank and in hand	678,094	(113,415)	-	564,679
Debt due within one year	(16,668)	(11,052)	-	(27,720)
Debt due after more than one year	(304,259)	28,288	(50,000)	(325,971)
Net funds	357,167	(96,179)	(50,000)	210,988

Groundwork North East

Notes to the Financial Statements for the Year Ended 31 March 2022

26 Related party transactions

The Trust is part of a national network of trusts being part of the Groundwork Federation. Any trading activities with other trusts are at arm's length on normal commercial terms.

The Trustees represent local authorities, businesses, community & voluntary organisations. All transactions with these bodies are on an arm's length basis.

Other Groundwork Trusts

The following transactions occurred with other Groundwork Trusts during the year;

Groundwork Trust	Sales in Year	Purchases in year	Amounts due/(owed) at year end
	£	£	£
Groundwork UK	162,382	20,128	92,597
Groundwork South and North Tyneside	66,476	72,210	67,012
Groundwork London	11,392	1,422	11,392
Groundwork South Yorkshire	1,893	-	1,893
Groundwork Yorkshire	29,330	-	30,350
Groundwork Ten North East Limited	416	-	416

27 Contingent liabilities

On 15 March 2018 a legal charge was registered against Groundwork North East by the Trustees of The National Heritage Memorial Fund regarding a grant of £697,700 was awarded for the Land of Oak and Iron project.

28 Prior year adjustment

The accounts have been restated to defer charitable activity income in line with the terms of the funding received which was originally recognised in the SOFA in the year of receipt.

Group

The restatement has resulted in the reserves as at 1st April 2020 being reduced by £779,607 to correct the opening reserves position visible in the accounts to a value of £3,824,058. Subsequently, in the 2021 year, income has increased by £100,356, a result of releasing £779,607 as income (previously held in funds) and deferring £679,251 from income into deferred income. The closing reserves as at 31 March 2021 was £3,949,520.

Charity

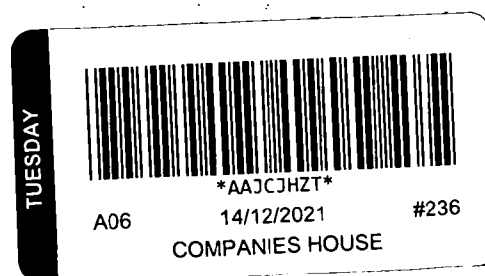
The restatement has resulted in the reserves as at 1st April 2020 being reduced by £779,607 to correct the opening reserves position visible in the accounts to a value of £4,045,294. Subsequently, in the 2021 year, income has increased by £100,356, a result of releasing £779,607 as income (previously held in funds) and deferring £679,251 from income into deferred income. The closing reserves as at 31 March 2021 was £4,168,022.

Accounts

COMPANY REGISTRATION NUMBER: 02702815

GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021

CHARITY NO: 1017706



**GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
CONTENTS**

	Page
Chairman's Report	1
Report of the Trustees'	2 - 11
Independent Auditors' Report	12 - 15
Group Statement of Financial Activities	16
Group & Trust Balance Sheet	17
Group Cash Flow Statement	18
Notes to the Financial Statements	19 - 39

GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021

Chairman's Report

The year to March 2021 was a uniquely challenging one for businesses, charities and individuals as a result of the COVID pandemic.

In common with all sectors of British society, Groundwork North East and Cumbria was unable to deliver its planned activities during the year but we were able to undertake a limited programme and plan for the future.

The Trustees would like to express their gratitude and thanks to our Groundwork staff and volunteers for their support during the year – whether this involved continuing to provide essential services or to be furloughed to protect the Charity's longer-term future.

The Trustees would also like to thank funders for their continuing support to enable delivery of programmes to continue or be held over until the easing of Covid restrictions. The Charity has also benefitted from the support offered by government during the year.

The year also saw the retirement of Ian Brown who has been a Trustee and Chairman of Groundwork North East and Cumbria since 2014. Staff and Trustees were able to thank him for his leadership at a virtual celebration to mark his achievements as well as those of the wider Groundwork team.

As the Country begins the process of rebuilding after the pandemic, Groundwork North East and Cumbria looks forward to playing our part in delivering an exciting agenda supporting the delivery of key national priorities of Tackling Climate Change, Levelling Up Society and Improving People's Wellbeing that align to Groundwork's core purposes.

Andrew Thurston
Chairman

GROUNDWORK NORTH EAST COMPANY LIMITED BY GUARANTEE

YEAR ENDED 31 MARCH 2021

Report of the Trustees'

The trustees are pleased to present their Annual Report, together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 March 2021, which are also prepared to meet the requirements for a directors' report and accounts for the Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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.

Our purposes and activities

The charity's purposes and activities are set out below. The activities are undertaken to further the Trusts' charitable purposes for the public benefit. The trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission and the trustees have paid due regard to this guidance in deciding what activities the Trust should undertake.

The company's charitable objects, as defined in the Memorandum & Articles of Association are:

- a. To promote the conservation, protection and improvement of the physical and natural environment anywhere in the North East and Cumbria regions of England.
- b. To provide facilities in the interests of recreation and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting to the North East and Cumbria.
- c. To advance the public education in environmental matters and of the ways of better conserving, protecting and improving the same whatsoever.
- d. To promote, for the public benefit, urban and rural regeneration in areas of social and economic deprivation.

What we do to meet our charitable objectives

To achieve these charitable objectives we deliver a diverse range of projects and programmes across the North East and Cumbria, under one of our three strategic programme areas.

- **create better places** - by making communities greener, safer and healthier and by enabling people to work together to bring about change in their local area.
- **improve people's prospects** - by increasing the confidence, skills, wellbeing and employability of those struggling in education or out of work.
- **promote greener choices** – by helping people and businesses reduce their environmental impact, improve their health, cut waste and save money.

Our ambition is to build our visibility, our reputation and our resource base so that we can be a significant, radical, national force for driving change in attitudes, behaviours, places and prospects in the local communities that need it most.

Our collective delivery goals in the next three years are to:

- mobilise actions through projects to combat the climate and nature emergency.
- improve the wellbeing of people by connecting them with their community and with nature.
- help people improve their life chances through learning and work.

In order to deliver our goals, we will continue improving our own capability and resilience to ensure we are putting maximum resource into our front line delivery and investing in the right skills to improve the quality of our services and management.

GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021

Our Volunteers

We are extremely grateful for the assistance of our many volunteers who assist on a variety of projects, providing their time, energy and skills to help us reach more beneficiaries and increase our positive impact on the environment.

Achievements and performance

Creating better places

- Further partnership work with registered housing providers
- 2 x Green Recovery Fund Partnership projects
- Nationally recognised Wild Oyster Project development
- Delivery of the first year of the River Tees Initiative with Tees Valley Combined Authority.

Improving people's prospects

- Continued delivery of our Youth and Employment services through moving to a virtual delivery model, thanks to the hard work and ingenuity of the team.
- Another year, despite the challenges, of the successful management of, and involvement in, programmes with challenging partner relationships, significant reputational risks and complex funding and compliance regimes. These include our two Building Better Opportunities programmes in Durham and Cumbria.
- The growth of our holiday enrichment activity and food programmes, delivered in completely new and different ways to adhere to the pandemic rules
- Development of end-use Social Prescribing initiatives such as Men's Sheds and Green Links.
- Successful key tenders:
 - Kickstart Gateway - acting on behalf of employers to support recruitment of young people
 - Northern Directions - a youth employment programme funded by the European Social Fund and North of Tyne Combined Authority

Promoting greener living and working

- Growing our reputation for partnership management with the Environment Agency and increasingly being recognised as experts in the river catchment initiatives involving both flood management and water quality.
- Development of our Green Doctor offer across the region.
- Driving consolidation of services and development opportunities with colleagues across the North including shared marketing and Health and Safety support along with Green Doctor development led by the first Northern Development role for Green Doctor and Climate Change.

GROUNDWORK NORTH EAST

COMPANY LIMITED BY GUARANTEE

YEAR ENDED 31 MARCH 2021

Financial Review

The financial year was clouded by the COVID-19 pandemic. Uncertainty in all areas of life and business was significant, with ever changing restrictions being placed on the business not only by Government but by our funders and the way in which we were able to deliver our projects.

Toward the end of the year, the landscape began to change. Projects previously delayed have re-commenced, opportunities to position the business in the centre of the recovery, such as our involvement in the Government Kickstart programme have created a more positive outlook as we move forward, as well as our work in the Green Recovery programmes.

Group turnover to March 2021 was £6.5m compared to £8.8m in 2020.

Consolidated cash balances decreased by £113k in the year to £564.7k from £641.4k.

Our principal sources of funding continue to be from the European Social Fund, Big Lottery Fund, Heritage Lottery Fund, National Citizen Trust and Thirteen Housing Group.

The Greenhouse office building continues to house a range of tenants from start up to SME's, as well as providing a high level of quality business meeting space. Investments in technology over the year have put the business on a good foundation, which is reflected by the number of tenants wanting to base themselves with us.

The Land of Oak and Iron Heritage Centre was significantly affected by the pandemic. The previous year saw the business embed itself as a destination for visitors. The closure of hospitality businesses for the first quarter, and then having significant restrictions placed upon it was met with determination to make the centre more successful when restrictions lifted. The service offering moved to a takeaway offer with reduced menu choices and we have been delighted by the reaction from customers to the ever changing offer of events and displays at the centre.

Some of our funders require details to be included in our Financial Statements, which is provided as part of note 18.

Investment powers and policy

Under the Memorandum and Articles of Association, the Trust has the power to make any investment which the Board see fit.

Reserves Policy

In accordance with guidelines issued by the Charity Commission, the Trust considers it prudent to maintain a reasonable level of unrestricted reserves. Reserves are freely available to spend on any of the Trust's charitable purposes and are required to be able to deal appropriately with the following:

- Invest in future business opportunities
- Invest in improved infrastructure, systems and services
- Provide working capital to fund programmes where there is a significant timing difference between incurring expenditure and receipt of funds
- Provide a contingency fund against unforeseen events and risks.

The reserves policy has been determined using the Charity Commission guidance, the target is based on an amount equivalent to three months staff and overhead costs, which equates to £1.2m at 31 March 2021. This compares to actual free reserves of £551,503. The Trust is aiming to achieve growth in delivery of programmes and enterprise activity over a number of years, which will generate surplus funds to supplement reserves and move towards the target level.

At 31 March 2021 the Trust held reserves of £4,847,273 of which £1,951,974 were restricted funds.

GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021

The Trust maintains the following funds:

Restricted Funds

The Greenhouse property
Greencroft Woodland Purchase
Cockermouth property
BBO Development
Projects
Land of Oak and Iron Heritage Centre

Use of Funds

Relating to the building of the Greenhouse Business Centre
Purchase of the woodland
Funding used for property refurbishments
Future delivery of the Building Better Opportunities programme
Future delivery of specific projects
Relates to the capital spend on the Heritage Centre, the fund equals the net book value of the asset at the end of the year.

Designated Funds

The Greenhouse

Unrestricted balance of the Greenhouse Investment property.

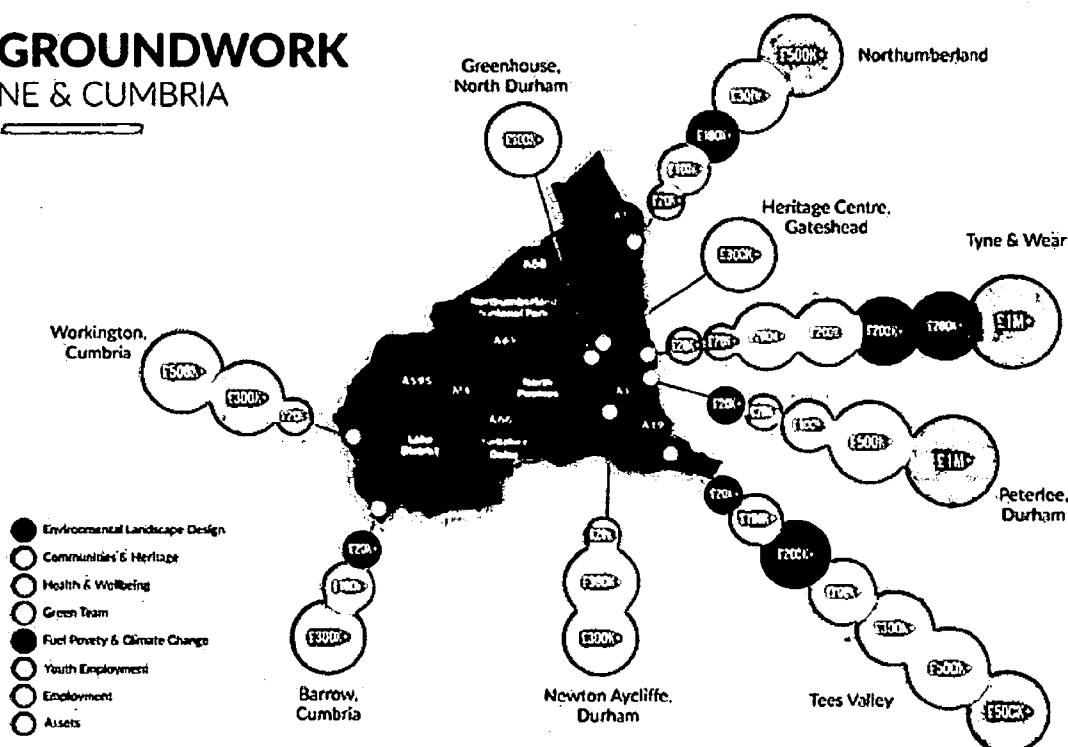
Going Concern

In the year to 31 March 2021, there was a net surplus in the year of £22,372 for the Group. General unrestricted funds generated a deficit of £172,332. The Trustees have reviewed the Trust Business Plan for 2021 – 2022, which aims for a surplus of £40k. This picture shows a continuing trend of positivity for the place the business has in the COVID recovery, as well as reflecting multi-year funded programmes. The business plan is sufficient to secure the immediate future of the charity for at least the next 12 to 18 months. On this basis, we consider that the Trust is a going concern.

YEAR ENDED 31 MARCH 2021

Plan for future periods

GROUNDWORK
NE & CUMBRIA



Groundwork's income base and operational plans continue to be heavily influenced by public sector policy – either due to the direct delivery of public service contracts or the impact of government policy on the priorities of other agencies and businesses.

We have sought to identify the areas where the Trust will benefit from National, Northern or local coordination, whether to improve positioning or performance, or in securing funds which can't be accessed by ourselves alone.

Our short-term plan sits within a longer-term programme of income diversification, achieving a better mix of restricted and unrestricted income through investment in the skills and capacity required to drive new types of fundraising and commercial revenue generation.

The way we go about our work will be informed by our commitment to 'the Groundwork approach' as set out in our collectively agreed strategy.

- **We will invest in the places and people that need us most** – prioritising our resources to bring about lasting change by building skills and capacity within the local communities where we can make most difference.
- **We will work with local leaders and listen to local voices** – ensuring our work is fully informed by those it is designed to benefit and adds value to the assets that exist in local areas.
- **We will grow a culture of equality and inclusion** – operating transparently and with integrity and seeking out a diversity of viewpoints, both in the work we do and the people we employ.
- **We will be committed to collaboration** – forging strong partnerships, contributing to a thriving community sector and helping others lead where this will achieve greater impact.
- **We will act as environmental exemplars** – championing practical action to combat the climate and nature emergency and measuring and reducing our own environmental impact.

GROUNDWORK NORTH EAST

COMPANY LIMITED BY GUARANTEE

YEAR ENDED 31 MARCH 2021

For Groundwork NE & Cumbria this means:

- Developing our response to the climate crisis and supporting our partners in implementing action, including the delivery of Green infrastructure plan and major tree planting schemes such as through the NE Community Forest and scheme such as Urban Trees Fund.
- Maintaining our commitment to youth participation throughout our activity and growing our Youth Advisory Board, now called 'Youth On Top', to provide a platform for young voices to help inform the way we go about our work and that we are being evidenced based in our interventions.
- Enable community-based solutions to keeping people active, well and 'out of the system'.
- Continuing to deliver adult skills, including traineeships, volunteering opportunities 'green jobs' and embedding climate awareness into skills training.
- Working closely with our housing providers to support energy efficiency and fuel poverty programmes through our Green Doctor offer.
- Building more alliances with other charities to support changes in policy / service delivery and to unlock new income streams.
- Developing design proposals and resources aimed at helping more community organisations lead practical projects to combat climate change.
- Empower our communities to engage in taking on services and facilities in their neighbourhoods.
- Strengthening our organisational commitment to reducing our own environmental impact.
- Considering Equality, Diversity and Inclusion (EDI) in all we do.
- Defining our way of working externally and internally, setting a strategy rather than just reacting,

Our plan is underpinned by the values developed by our team. We will be **environmentally aware** and focused on **communities in need**. We will be **collaborative**, show **integrity** and strive for **quality** in everything we do.

Trading Activities

The Greenhouse Environmental Business Centre in Annfield Plain was established as an eco-Centre in 2005 and provides high quality facilities for our tenants. With an on-site wind turbine, c80% of electricity used in the building was generated from this facility. The environmental credentials of the building will continue to be improved and where relevant, leading technologies to cement this unique proposition in the area will be continued.

At our Land of Oak and Iron Heritage Centre in Winlaton Mill, we are proud to promote and celebrate local heritage and history of the Derwent Valley and surrounding areas. The centre has attracted significant visits from the local population during lockdown, due to the convenience of the site and amenities provided. COVID restrictions on hospitality were managed well. During 2021/22 the centre will continue to provide a quality food and drink offer.

To further engage with visitors, a range of activities, events and heritage centred installations are being planned to enable the centre to be used as a gateway to the wider Land of Oak and Iron project, which includes closer working relationships with local interest groups associated to the area.

**GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021**

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and executive officers serving during the year and since the year end were as follows:

Members:

A Thurston (Chair)	
I Brown	(Resigned 24 November 2020)
D Martin	
D Pearce	
J Pritchard	
T Justice	
M Schooler	
S Thackray	
T Case	(Appointed 5 May 2020)
A Hill	(Appointed 24 September 2020)
Sir P Ennals	(Appointed 23 June 2021)
H Simmons	(Appointed 23 June 2021)

Executive Officers:

Chief Executive Officer	K Culverhouse
Director of Finance & Corporate Services	JP Heatherington

Company Secretary:	JP Heatherington	(Appointed 23 June 2021)
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Company Number:	02702815
Charity Number:	1017706

Registered Office:	14 Parsons Court Welbury Way Newton Aycliffe Co. Durham DL5 6ZE
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Statutory Auditor:	Haines Watts 17 Queens Lane Newcastle upon Tyne NE1 1RN
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Bankers:	NatWest Bank plc 29 Newgate Street Bishop Auckland Co Durham DL14 7ET
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GROUNDWORK NORTH EAST COMPANY LIMITED BY GUARANTEE

YEAR ENDED 31 MARCH 2021

Structure, Governance and Management

Governing Document

The Trust is a registered charity and a company limited by guarantee and is governed by its Memorandum and Articles of Association.

The Trust is part of a national federation of independent Trusts, including the Groundwork national office and we continue to play a leading role in the development of Groundwork in the UK. Each Groundwork trust operates independently with their local partners to improve people's prospects, create better places and promote greener living and working.

Appointment of trustees

Trustees who are also members of the Company serve a term to a maximum of three years and can be appointed for further terms subject to approval by the Board.

Trustee induction and training

Trustees meet with the Chief Executive and Chairman for an introduction to the Trust. Trustees are invited and encouraged to sit on Board Committees.

Organisation

The Board of Trustees, which can have up to 15 members, administer the charity. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity.

During this financial year there were four meetings of the full Board, which received reports from committees which also met quarterly:

- **Finance & Corporate Services Committee** - Oversees the financial, personnel and health and safety activities of the Trust, recommend financial strategy to the Board and ensure that robust systems of financial management are in place.
- **Strategic & Business Development Committee** - Develops the Trust's forward Strategic and Business plans making recommendations to the Board via the Finance & Corporate Services Committee on specific opportunities.
- **Compliance Committee** – Oversees the Trust implementation of non-financial compliance, policies and procedures required to meet legal compliance, and regulatory requirements with regards Health & Safety Data Protection and Safeguarding.
- **Social Enterprise Committee** – oversees commercial and income generating objectives at The Greenhouse Business Centre and the Land of Oak and Iron Heritage Centre.

In addition to the formal Trustee committees, in line with our commitment to youth participation our Youth On Top board met throughout the year. Chaired by one of our Trustees, the objective of the group is to provide a platform for young voices to help inform the way we go about our work and that we are being evidenced based in our interventions.

At each meeting of the Board, presentations from areas of the business are received. Throughout the year presentations from staff on projects in the Youth Employment Initiative, Land & Communities Projects and an overview of the Social Enterprise businesses were made.

GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021

During the year, closer collaboration and working relationships with Groundwork South & North Tyneside were formalised within the organisation. The Strategic & Business Development and Compliance Committees were combined in January 2021. Both of these committees are structured with representation from Trustees and Executives of both Trusts and includes cross working between the Trusts in specific operational areas such as Finance, HR, Health & Safety and Facilities.

Related parties and co-operation with other organisations

The Trustees represent local authorities, businesses, community & voluntary organisations. None of our trustees receive remuneration or other financial benefit from their work with the charity.

The Trust is part of a national network of independent trusts known as the Groundwork Federation.

The Trust has one wholly owned subsidiary company; The Greenhouse Company (Groundwork) Limited.

Groundwork NE & Cumbria is a member of three other charities, Changing Lives, DISC and Mental Health Concern. Our membership of the Northern Inclusion Consortium lapsed following its dissolution during the year.

Details of any related party transactions are disclosed in Note 23 to the accounts.

Pay Policy for Key Management Personnel

The Trustees consider that they and the Executive Officers comprise the key management personnel of the Trust, in charge of directing and controlling, running and operating the Trust on a day to day basis.

All Trustees give their time freely and none received remuneration during the year. Details of Trustees' expenses and related party transactions are disclosed in notes 7 and 23 to the accounts.

The pay of executive staff is reviewed annually and any increase awarded is based on the outcome of annual staff appraisals and an assessment of affordability. In addition, every three years, the salary level of the Chief Executive Officer is benchmarked against similar roles in similar sized charitable Trust organisations.

Risk management

The trust has a thorough operational risk assessment policy, including a detailed risk register with key strategic risks identified. This is reviewed regularly by the Executive Management Team and at board meetings and covers risks relating to reputation, finance, operations (regulatory and delivery), people, external factors, continuity and commercial operations. The appropriate measures are taken to address any changes to the risk profile identified.

GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021

Trustees' responsibilities in relation to the financial statements

The trustees (who are also the directors of Groundwork North East for the purposes of company law) are responsible for preparing a trustees' annual report and 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 year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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 2015 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

In so far as the trustees are aware;

- there is no relevant audit information of which the group's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the board on 22 September 2021 and signed on their behalf by:



.....
A Thurston
Chairman

GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021

Independent Auditor's Report to the trustees of Groundwork North East

Opinion

We have audited the financial statements of Groundwork North East (the 'charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Group and Charitable Company, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements 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 or 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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charitable company's trade, customers, suppliers and wider economy. The Trustees' view on the impact of COVID-19 is disclosed on page 5 and the accounting policies note.

GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions 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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the directors and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing a sample of journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates;
- confirmation received from the bank to verify the balance as on the last day of the accounting year; and
- review of minutes of meetings of those charged with governance.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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

**GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021**

Use of our report

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



**Donna Bulmer BA (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Haines Watts**

Statutory Auditor

13 December 2021

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021

Group Statement of Financial Activities *(incorporating the income and expenditure account)*

Unrestricted Funds

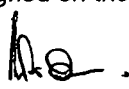
	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income from:						
Donations	3	550,236	-	195	550,431	15,216
Investments	3	53,407	-	-	53,407	60,929
Trading activities	3,12	465,760	-	-	465,760	701,898
Charitable activities	4	-	-	5,372,604	5,372,604	7,836,284
Other	3	64,282	-	-	64,282	214,879
Total income		<u>1,133,685</u>	<u>-</u>	<u>5,372,799</u>	<u>6,506,484</u>	<u>8,829,206</u>
Expenditure on:						
Trading activities		402,483	-	-	402,483	598,063
Charitable activities	5	851,632	-	5,218,690	6,070,322	8,217,280
Total expenditure		<u>1,254,115</u>	<u>-</u>	<u>5,218,690</u>	<u>6,472,805</u>	<u>8,815,343</u>
Net income / (expenditure) before gains / (losses) on investment		(120,430)	-	154,109	33,679	13,863
Net loss on investment	12	(11,307)	-	-	(11,307)	-
Net income / (expenditure) before transfers		(131,737)	-	154,109	22,372	13,863
Transfers between funds	18,19	(40,595)	117,465	(76,870)	-	-
Net movement in funds		(172,332)	117,465	77,239	22,372	13,863
Reconciliation of funds						
Total funds brought forward		<u>1,044,711</u>	<u>1,905,455</u>	<u>1,874,735</u>	<u>4,824,901</u>	<u>4,811,038</u>
Total funds carried forward		<u>872,379</u>	<u>2,022,920</u>	<u>1,952,974</u>	<u>4,847,273</u>	<u>4,824,901</u>

GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021

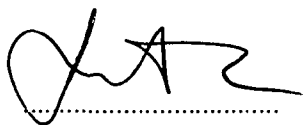
Balance Sheet

		Group		Charity	
	Note	2021	2020	2021	2020
		£	£	£	£
		As restated		As restated	
Fixed assets:					
Tangible assets	11	1,722,965	1,780,522	1,713,858	1,754,056
Investments	12	2,190,000	2,210,000	2,190,001	2,210,001
		<u>3,912,965</u>	<u>3,990,552</u>	<u>3,903,859</u>	<u>3,964,057</u>
Current assets:					
Stocks	13	7,044	8,997	-	-
Debtors	14	1,273,508	1,240,316	1,191,262	1,145,630
Cash at bank and in hand		564,679	678,094	411,181	223,959
		<u>1,845,231</u>	<u>1,927,407</u>	<u>1,602,443</u>	<u>1,787,003</u>
Liabilities:					
Creditors: Amounts falling due within one year	15	(584,952)	(788,769)	(551,560)	(843,136)
		<u>1,260,279</u>	<u>1,138,638</u>	<u>1,050,883</u>	<u>943,867</u>
Net current assets					
		<u>5,173,244</u>	<u>5,129,160</u>	<u>4,954,742</u>	<u>4,907,924</u>
Total assets less current liabilities					
Creditors: Amounts falling due after more than one year	16	(325,971)	(304,259)	(325,971)	(304,259)
		<u>4,847,273</u>	<u>4,824,901</u>	<u>4,628,771</u>	<u>4,603,665</u>
Net assets					
Funds:					
Unrestricted – General	19	872,379	1,044,711	652,877	823,475
Unrestricted – Designated	19	2,022,920	1,905,455	2,022,920	1,905,455
		<u>2,895,299</u>	<u>2,950,166</u>	<u>2,675,797</u>	<u>2,728,930</u>
Total unrestricted funds					
Restricted funds	18	1,952,974	1,874,735	1,952,974	1,874,735
		<u>4,847,273</u>	<u>4,824,901</u>	<u>4,628,771</u>	<u>4,603,665</u>
Total funds					

These financial statements were approved by the members of the Trust on the ~~22 SEPTEMBER~~ 2021 and are signed on their behalf by:



A THURSTON
 Chairman



D MARTIN
 Chairman of Finance & Corporate Services Committee

Company number: 02702815

**GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE**

YEAR ENDED 31 MARCH 2021

Group Cash Flow Statement

		2021	2020
	Note	£	£
Net cash flow from operating activities	21	(151,879)	115,589
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	(222,586)
Payments to acquire investments		(2,236)	-
Receipts on sale of tangible fixed assets		-	346,000
Receipts		10,929	-
Interest received		292	540
Net cash flow from investing activities		8,985	123,954
Cash flow from financing activities			
New borrowings		50,000	325,000
Repayment of bank loans		(17,237)	(144,826)
Interest paid		(3,284)	(21,435)
Net cash flow from financing activities		29,479	158,739
Increase / (decrease) in cash and cash equivalents during the year		(113,415)	398,282
Cash & cash equivalents at the start of the year		678,094	279,812
Cash & cash equivalents at the end of the year		564,679	678,094

GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021

Notes to the Financial Statements

1. ACCOUNTING POLICIES

Charity information

Groundwork North East is a private company limited by guarantee incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.1 Basis of preparation

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, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Groundwork North East 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 significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Preparation of the accounts on a going concern basis

The Trustees have reviewed the Trust Business Plan for 2021 – 2022, which aims for a surplus of £40k. This picture shows a continuing trend of positivity for the place the business has in the COVID recovery, as well as reflecting multi-year funded programmes. The business plan is sufficient to secure the immediate future of the charity for at least the next 12 to 18 months. On this basis, we consider that the Trust is a going concern.

Consequently, the trustees continue to believe the going concern basis of accounting is appropriate in preparing these financial statements.

1.3 Group financial statements

The group financial statements consolidate the accounts of the charity and its wholly owned subsidiary, The Greenhouse Company (Groundwork) Ltd, on a line-by-line basis. Transactions between group companies are eliminated on consolidation. No separate Statement of Financial Activities is presented for the charity as permitted by section 408 of the Companies Act 2006.

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021

1.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Investment income relates to rent received from investment properties and is recognised in the accounts when it is received.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.5 Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the time contributed by our volunteers is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.6 Expenditure

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

The cost headings comprise expenditure, including staff costs, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with use of the resources.

1.7 Allocation of support costs

Support costs are those services and functions provided centrally that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, HR, payroll, IT, administration, premises and governance infrastructure costs which support the charity's programmes and activities.

These costs have been allocated to each of the three themes of activity, in proportion to the programme activity in each theme.

**GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021**

1.8 Tangible fixed assets and depreciation

All fixed assets are recorded initially at cost. Freehold property is included at open market value, which is updated every five years by an independent, chartered surveyor. Each year, Trustees review the valuations in order to identify any impairment that is due.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Improvements	-	over the remaining unexpired term of the lease
Freehold Property	-	over 50 years
Furniture and equipment	-	over 4 years
Computers and Software	-	over 3 years
Motor Vehicles	-	over 3 years

1.9 Investments

Fixed asset investments are stated at cost less provision for diminution in value. Those stated as current assets are stated at the lower of cost and net realisable value.

Investment property is included at open market value, which is updated every five years by an independent, chartered surveyor. Each year, Trustees review the valuations in order to identify any impairment that is due.

1.10 Stock

Stock is included at the lower of cost or net realisable value.

1.11 Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

1.13 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investment with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.15 Financial Instruments

The Trust 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.

GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021

1.16 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees on activities that further any of the purposes or objectives of the charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for specific purposes.

Restricted funds are subject to specific restrictive conditions imposed by founders or by the purpose of the appeal. All income and expenditure is shown in the statement of financial activities

1.17 Value added tax

As a significant proportion of the charity's activities are classified as non-business activities for the purposes of value added tax, the charitable company is unable to reclaim all the value added tax on purchases. Expenditure in these financial statements is shown exclusive of value added tax with the irrecoverable tax being included within support costs.

1.18 Taxation

No provision has been made for corporation or deferred tax as the directors believe that the income and gains of the charity are within the exemptions granted by s505 of the Income and Corporation Taxes Act 1988.

1.19 Pensions

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the Statement of Financial Activities.

1.20 Managed contracts

Income and expenditure relating to managed contracts are included in the accounts, although the income is not received by Groundwork North East and the company is not ultimately responsible for the expenditure. Any management fees charged by Groundwork North East to the contract holder are also included in the accounts.

Income and expenditure relating to managed contracts where Groundwork North East is responsible for the delivery of the contract and bears the risks and rewards of the contract amounted to £nil (2020 - £29,025).

1.21 Judgements and key sources of estimation uncertainty

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.

GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021

2. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

<i>Unrestricted Funds</i>						
	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income from:						
Donations	3	13,516	-	1,700	15,216	5,303
Investments	3	60,929	-	-	60,929	70,762
Trading activities	3,12	701,898	-	-	701,898	552,103
Charitable activities	4	-	-	7,836,284	7,836,284	8,331,316
Other	4	214,879	-	-	214,879	34,698
Total income		<u>991,222</u>	<u>-</u>	<u>7,837,984</u>	<u>8,829,206</u>	<u>8,994,182</u>
Expenditure on:						
Trading activities		598,063	-	-	598,063	546,297
Charitable activities	5	273,906	-	7,943,374	8,217,280	8,531,830
Working Links write off	5	-	-	-	-	130,381
Total expenditure		<u>871,969</u>	<u>-</u>	<u>7,943,374</u>	<u>8,815,343</u>	<u>9,208,508</u>
Net income / (expenditure) before gains / (losses) on investment		119,253	-	(105,390)	13,863	(214,326)
Net gain on investment	12	-	-	-	-	145,000
Net income / (expenditure) before transfers		119,253	-	(105,390)	13,863	(69,326)
Transfers between funds	18,19	-	117,465	(117,465)	-	-
Net movement in funds		119,253	117,465	(222,855)	13,863	(69,326)
Reconciliation of funds						
Total funds brought forward		981,984	1,797,990	2,041,064	4,811,038	4,880,364
Total funds carried forward		<u>1,101,237</u>	<u>1,905,455</u>	<u>1,818,209</u>	<u>4,824,901</u>	<u>4,811,038</u>

**GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021**

3. INCOME FROM DONATIONS, INVESTMENTS & OTHER SOURCES

Donations:	2021	2020
	£	£
Government grants – HMRC furlough claims	502,174	-
Grants – Covid support	47,135	-
Other donations	1,122	15,215
	<u>550,431</u>	<u>15,215</u>
 Investment income:	 2021	 2020
	£	£
Rental income	53,115	60,389
Bank interest	292	540
	<u>53,407</u>	<u>60,929</u>
 Trading activities:	 2021	 2020
	£	£
The Greenhouse Company (Groundwork) Ltd	465,760	701,898
	<u>465,760</u>	<u>701,898</u>
 Other income:	 2021	 2020
	£	£
Profit on sale of tangible fixed assets	-	125,809
Other income	111,866	89,070
	<u>111,866</u>	<u>214,879</u>

GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021

4. INCOME FROM CHARITABLE ACTIVITIES

	2021 £	2020 £
Improve people's prospects	3,781,639	4,933,427
Create better places	1,335,828	2,373,590
Promote greener living and working	255,137	529,267
	<u>5,372,604</u>	<u>7,836,284</u>

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct Costs £	Support & Governance Costs £	2021 £	2020 £
Improve people's prospects	3,141,047	638,796	3,779,843	5,433,443
Create better places	1,835,985	280,748	2,116,733	2,505,118
Promote greener living and working	150,702	23,044	173,746	278,719
	<u>5,127,734</u>	<u>942,588</u>	<u>6,070,322</u>	<u>8,217,280</u>

The above costs include staff furloughed during the year, the amount claimed under this scheme amounts to £502,174. The majority of staff furloughed fall under the Create Better Places activity.

6. ANALYSIS OF SUPPORT & GOVERNANCE COSTS

The Trust initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the three key programme areas delivered in the year (see note 5). The basis of apportionment of the costs is pro-rata to the expenditure on each programme area.

	Support £	Governance £	2021 £	2020 £
Staffing	467,178	-	467,178	543,856
Transport	10,935	-	10,935	27,903
Premises	50,672	-	50,672	129,325
Supplies & Services	289,992	-	289,992	279,692
Legal fees	74,613	-	74,613	26,147
Audit fees	-	9,000	9,000	9,000
Depreciation	40,198	-	40,198	35,188
	<u>933,588</u>	<u>9,000</u>	<u>942,588</u>	<u>1,051,111</u>

**GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE**

YEAR ENDED 31 MARCH 2021

7. STAFF COSTS, STAFFING, TRUSTEE REMUNERATION AND EXPENSES, AND KEY MANAGEMENT PERSONNEL

The aggregate payroll costs were:

	2021	2020
	£	£
Wages and salaries	3,523,140	4,201,943
Social security costs	256,265	296,334
Pension costs	139,089	158,170
	<u>3,918,494</u>	<u>4,656,447</u>

Staffing:

The average number of staff employed during the financial year was:

	Group 2021	2020
Number of staff	<u>173</u>	<u>199</u>
Number of full-time equivalent (FTE) charitable staff	<u>152</u>	<u>169</u>

Trustees

The Trustees were not remunerated or paid expenses during the year (2020 - none).

Key Management Personnel

The key management personnel of the Trust are deemed to be the Trustees, the Chief Executive and the Director of Finance & Corporate Services. The total annual employee benefits of these personnel were £160,469 (2020 - £151,449).

The number of employees whose annual emoluments were £60,000 or more were:

	2021	2020
£60,000 - £69,999	1	-
£70,000 - £79,999	1	-
£80,000 - £89,999	<u>-</u>	<u>1</u>

GROUNDWORK NORTH EAST COMPANY LIMITED BY GUARANTEE

YEAR ENDED 31 MARCH 2021

8. PENSION SCHEME

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity.

During the year ended 31 March 2021, the total employer's contributions charged for this scheme amounted to £139,089 (2020 - £158,170).

9. NET INCOME/EXPENDITURE FOR THE YEAR

	Group		Trust	
Net income before transfers are stated, after charging/ (crediting):	2021	2020	2021	2020
	£	£	£	£
Interest payable on bank loans	3,284	21,435	3,284	21,435
Depreciation – owned assets	57,557	59,740	57,557	35,188
Profit on sale of tangible fixed asset	-	125,809	-	125,809
Loss on sale of investment	11,307	-	11,307	-
Audit fee	9,000	9,000	9,000	9,000
Non-audit fee	3,075	3,075	1,950	1,950

10. INCOMING RESOURCES AND NET CHANGE IN FUNDS

The Consolidated Statement of Financial Activities is for the Group as a whole. The figures below are the equivalent figures for the Charity only, excluding all subsidiary companies.

Total incoming resources for the year were £6,106,735 (2020 - £8,169,117).

Net increase in funds for the year was £25,106 (2020 - £48,163 decrease).

**GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021**

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Leasehold property £	Furniture, equipment and computers £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 April 2020	524,052	1,469,123	493,608	53,742	2,540,525
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2021	524,052	1,469,123	493,608	53,742	2,540,525
DEPRECIATION					
At 1 April 2020	53,878	185,240	467,143	53,742	760,003
Charge for the year	9,450	30,748	17,359	-	57,557
On disposals	-	-	-	-	-
At 31 March 2021	63,328	215,988	484,502	53,742	817,560
NET BOOK VALUE					
At 31 March 2021	460,723	1,253,135	9,106	-	1,722,965
At 31 March 2020	470,173	1,283,883	26,466	-	1,780,522

Trust

	Freehold Property £	Leasehold property improvements £	Furniture, equipment and computers £	Motor Vehicles £	Total £
COST OR VALUATION					
At 1 April 2020	524,051	1,469,123	419,919	53,742	2,466,836
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2021	524,051	1,469,123	419,919	53,742	2,466,836
DEPRECIATION					
At 1 April 2020	53,878	185,240	419,919	53,733	712,780
Charge for the year	9,450	30,748	-	-	40,198
On disposals	-	-	-	-	-
At 31 March 2021	63,328	215,988	419,919	53,733	752,978
NET BOOK VALUE					
At 31 March 2021	460,723	1,253,135	-	-	1,713,858
At 31 March 2020	470,173	1,283,883	-	-	1,754,056

**GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021**

11. TANGIBLE FIXED ASSETS (Continued)

All assets held by the Trust are used collectively for charitable purposes.

Certain freehold land and buildings included above were recognised using the previous valuation, as deemed cost on transition to FRS102. Therefore, at the year end the land and buildings are held at their deemed historic cost.

In respect of assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2021 £	2020 £
Historical cost of revalued freehold property:		
Cost		
At 1 April 2020	430,000	492,080
Additions	-	200,000
Disposals	-	(262,080)
At 31 March 2021	430,000	430,000
Depreciation:		
At 1 April 2020	44,317	180,164
Charge for year	8,600	8,265
Disposals	-	(144,111)
At 31 March 2021	52,917	44,317
Net historical cost value:		
At 31 March 2021	<u>377,083</u>	<u>385,683</u>

On 25 March 2013 Grosvenor House, Bishop Auckland was valued by Storeys Edwards Symmons Limited.
On 28 June 2013, 123 Victoria Road, Darlington was valued by Storeys Edward Symmons Limited. During December 2014, 6 Norfolk Street, Sunderland was valued by Edward Symmons LLP.

**GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021**

12. FIXED ASSET INVESTMENTS

	Group		Trust	
	2021	2020	2021	2020
	£	£	£	£
Investment properties				
Market value	2,190,000	2,190,000	2,190,000	2,190,000
Investment in subsidiary and associate companies				
In a subsidiary company – The Greenhouse Company (Groundwork) Ltd	-	-	1	1
In an associate company - Northern Inclusion Consortium Ltd	-	20,000	-	20,000
Market value at 31 March 2021	<u>2,190,000</u>	<u>20,000</u>	<u>2,190,001</u>	<u>20,001</u>
Historical cost at 31 March 2021	<u>4,882,672</u>	<u>4,882,672</u>	<u>4,882,672</u>	<u>4,882,672</u>

In 2013-14 the Trust paid £20,000 to be a founding member and shareholder in the Northern Inclusion Consortium. The Consortium was established with equal shareholdings with four other like-minded charitable organisations, with the purpose of bidding for tenders and commissions, which may generate returns to the Trust. On 31 January 2021 The Consortium ceased trading.

The fair value of the investment properties have been arrived at on the basis of a valuation carried out by Lambert Smith Hampton on 24 July 2019 for The Greenhouse Business Centre and 14 March 2019 for all other investment properties. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The investments in property are held primarily for an investment return. An internal review is undertaken by the trustees annually.

The company's investments at the balance sheet date include an investment in The Greenhouse Company (Groundwork) Limited. Groundwork North East hold 100% of the ordinary share capital of The Greenhouse Company (Groundwork) Limited.

GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021

12. FIXED ASSET INVESTMENTS (Continued)

The Trust owns the following subsidiary companies;

Subsidiary Companies

**The Greenhouse Company
(Groundwork) Ltd**

	2021	2020
	£	£
Turnover	509,136	701,898
Expenses	(402,483)	(617,063)
Profit/(Loss)	<u>106,653</u>	<u>84,835</u>
Gift aid payments	<u>109,387</u>	<u>22,809</u>
Net assets	<u>218,503</u>	<u>221,237</u>

Associate Company

**Northern Inclusion
Consortium Ltd**

	Period ended Jan-2021	Year ended Mar-2020
	£	£
Turnover	1,538,544	3,143,879
Expenses	(1,607,629)	(3,142,085)
Profit/(Loss)	<u>(69,085)</u>	<u>1,794</u>
Net assets	<u>43,946</u>	<u>113,031</u>
Share relating to Groundwork North East	<u>10,987</u>	<u>28,257</u>

**GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021**

13. STOCKS

	Group		Trust	
	2021	2020	2021	2020
	£	£	£	£
Stocks of food and beverages	7,044	8,997	-	-

14. DEBTORS

	Group		Trust	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	843,218	980,536	693,271	950,025
Other debtors	4,794	39,414	4,665	39,414
Accrued income	425,496	191,005	408,162	136,944
Prepayments	-	29,361	-	19,247
Amounts due from subsidiary undertaking	-	-	85,164	-
	1,273,508	1,240,316	1,191,262	1,145,630

15. CREDITORS: Amounts falling due within one year

	Group		Trust	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts	27,720	16,668	27,720	16,668
Trade creditors	235,545	351,451	207,910	328,402
Taxation and social security	203,875	186,807	203,875	123,102
Amounts due to subsidiary undertaking	-	-	-	182,636
Other creditors	3,108	100,718	3,108	80,528
Accruals and deferred income	114,704	133,125	108,947	111,800
	584,952	788,769	551,560	843,136

GROUNDWORK NORTH EAST COMPANY LIMITED BY GUARANTEE

YEAR ENDED 31 MARCH 2021

**16. CREDITORS: Amounts falling due after more than one year
GROUP & TRUST**

	2021 £	2020 £
Bank loan – Charity Bank	275,971	304,259
Bank loan – Bounce back loan	50,000	-
	<u>325,971</u>	<u>304,259</u>

The bank loan with Charity Bank was taken out during 2019/20. The loan is secured by a fixed charge over land lying to the east of Greencroft Parkway. The loan is repayable over 15 years by way of monthly repayments. Interest is charged at a variable rate of 3.35% above base rate.

	2021 £	2020 £
Analysis of loans		
Not wholly repayable within 5 years by instalments	192,811	254,255
Wholly repayable with 5 years by instalments	110,880	66,672
	<u>303,691</u>	<u>320,927</u>
Included within current liabilities	(27,720)	(16,668)
	<u>275,971</u>	<u>304,259</u>

**GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021**

17. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been processed due to a misallocation of funds between unrestricted and restricted funds.

Change to the Balance Sheet

Year ended 31 March 2020			
	As previously reported £	Adjustment £	As restated £
Unrestricted funds	1,101,237	(56,526)	1,044,711
Designated funds	1,905,455	-	1,905,455
Restricted funds	1,818,209	56,526	1,874,735
	<u>4,824,901</u>	<u>-</u>	<u>4,824,901</u>

Year ended 31 March 2019			
	As previously reported £	Adjustment £	As restated £
Unrestricted funds	981,984	(56,526)	925,458
Designated funds	1,787,990	-	1,787,990
Restricted funds	2,041,064	56,526	2,097,590
	<u>4,824,901</u>	<u>-</u>	<u>4,824,901</u>

Change in Statement of Financial Activities

There has been no change to the Statement of Financial Activities for the previous financial year.

18. RESTRICTED FUNDS

Year ended 31 March 2021

	Balance at 1 Apr 2020 £	Movement in resources:			Balance at 31 Mar 2021 £
		Incoming Resources £	Outgoing Resources £	Transfers £	
Property funds:-					
The Greenhouse	117,465	-	-	(117,465)	-
Greencroft Woodland Purchase	40,591	-	-	-	40,591
Cockermouth 2 Market St	22,015	-	(4,403)	-	17,612
BBO Programmes	14,021	2,186,639	(2,156,153)	-	44,507
Project funds	409,973	3,186,160	(3,031,662)	40,595	605,066
Land of Oak & Iron Heritage Centre fund	1,270,670	-	(26,472)	-	1,244,198
	<u>1,874,735</u>	<u>5,372,799</u>	<u>(5,218,690)</u>	<u>(76,870)</u>	<u>1,951,974</u>

**GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021**

18. RESTRICTED FUNDS (Continued)

Year ended 31 March 2020

	Movement in resources:				
	Balance at 1 Apr 2019 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 Mar 2020 £
Property funds:-					
The Greenhouse	234,930	-	-	(117,465)	117,465
Greencroft Woodland Purchase	40,591	-	-	-	40,591
Cockermouth 2 Market St	26,418	-	(4,403)	-	22,015
BBO Programmes	(18,219)	2,391,905	(2,359,665)	-	14,021
Project funds	516,728	5,446,079	(5,555,834)	-	406,973
Land of Oak & Iron Heritage Centre fund	1,297,142	-	(26,472)	-	1,270,670
	2,097,590	7,837,984	(7,943,374)	(117,465)	1,874,735

Property funds

Grants were received for the refurbishment of 2 Market Street, Cockermouth. These are being written off in line with the depreciation policy of these assets.

The Greenhouse project represents funding for the construction of The Greenhouse, an investment asset. The restriction is reducing over a period of 15 years. The transfer from the restricted fund relates to the amount being reallocated to the designated fund, which together total the value of the investment.

The Greencroft Woodlands Purchase Fund is funding received to purchase woodland adjacent to the Greencroft Industrial Estate, Annfield Plain.

BBO Development Funding

Spending is restricted to future delivery of the Building Better Opportunities (BBO) programme.

Project funds

Project funds represent funding to enable specific projects to be undertaken in the year. Included in the charitable activities there are a number of funders and specific projects that need to be referred to specifically. These project funds are held in restricted reserves. The balance on Project funds is the overall net position on over 200 individual projects.

At the 31 March 2021 the project closing balances are reviewed and included in the closing balance of £605,066 are deficit balances of £189,299, funds are expected to be received for these projects post year end.

Land of Oak & Iron Heritage Centre fund

The construction of the Land of Oak & Iron Heritage Centre was completed in September 2018. The funds equals the net book value of the asset.

GROUNDWORK NORTH EAST COMPANY LIMITED BY GUARANTEE

YEAR ENDED 31 MARCH 2021

18. RESTRICTED FUNDS (Continued)

Restricted project funds which require separate disclosure;

Project	Funder	Balance Brought Forward (£)	Income (£)	Expenditure (£)	Balance Unspent/ Overspent (£)
River Tees Rediscovered	Heritage Lottery Fund	36,431	25,649	(25,510)	36,570
Land of Oak & Iron	Heritage Lottery Fund	(27,196)	323,508	(296,312)	-
BBO – Choices	Big Lottery Fund / European Social Fund	11,402	496,353	(478,477)	29,278
BBO - Step Forward Tees Valley	Big Lottery Fund / European Social Fund	-	653,178	(653,178)	-
BBO - Reaching Out Across Durham	Big Lottery Fund / European Social Fund	2,617	765,746	(753,133)	15,230
BBO - Moving on Tyne & Wear	Big Lottery Fund / European Social Fund	-	272,598	(272,598)	-
Eden Hill Young Peoples Project	Horden Youth & Community Centre	-	73,920	(73,920)	-
Carlisle Play Areas	Cumbria Waste Management	-	30,000	(30,000)	-
#iwill – Virgin Money	Virgin Money Foundation	67,800	-	(58,496)	9,304
Norton Grange Lottery Funding	Heritage Lottery Fund	29,077	53,126	(40,450)	41,753
Big Local Easington	Local Trust	(49,811)	159,425	(119,721)	(10,107)

^ - incorporates brought forward balances from the prior year

**GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2021**

19. UNRESTRICTED FUNDS

<u>Year ended 31 March 2021</u>	Balance at 1 April 2020	Incoming Resources	Outgoing Resources	Transfers	Gain on Investment	Balance at 31 March 2021
	£	£	£	£	£	£
General Funds	1,044,712	1,133,685	(1,254,311)	(40,595)	(11,307)	872,185
Designated Funds :-						
Revaluation Reserve	12,290	-	-	-	-	12,290
The Greenhouse	1,892,535	-	-	117,465	-	2,010,000
	<u>3,006,692</u>	<u>1,133,685</u>	<u>(1,254,311)</u>	<u>76,870</u>	<u>(11,307)</u>	<u>2,895,105</u>

<u>Year ended 31 March 2020</u>	Balance at 1 April 2019	Incoming Resources	Outgoing Resources	Transfers	Gain on Investment	Balance at 31 March 2020
	£	£	£	£	£	£
General Funds	925,458	991,222	(871,969)	-	-	1,044,712
Designated Funds :-						
Revaluation Reserve	12,920	-	-	-	-	12,920
The Greenhouse	1,775,070	-	-	117,465	-	1,892,535
	<u>2,713,448</u>	<u>991,222</u>	<u>(871,969)</u>	<u>117,465</u>	<u>-</u>	<u>2,950,167</u>

The Greenhouse

The fund represents the remaining unrestricted balance of the investment property. The transfer relates to the amount being reallocated from the restricted fund, which together total the value of the investment.

**GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE**

YEAR ENDED 31 MARCH 2021

20. ANALYSIS OF NET ASSETS

<u>Year ended 31 March 2021</u>	Tangible fixed assets	Investments	Net current assets	Creditors > 1yr	Total Net Assets
	£	£	£	£	£
Restricted funds	1,302,401	-	649,768	-	1,952,974
Unrestricted funds:-					
General	407,644	180,000	610,511	(325,971)	872,379
Designated	12,920	2,010,000	-	-	2,022,920
	<u>1,722,965</u>	<u>2,190,000</u>	<u>1,260,279</u>	<u>(325,971)</u>	<u>4,847,273</u>

<u>Year ended 31 March 2020</u>	Tangible fixed assets	Investments	Net current assets	Creditors > 1yr	Total Net Assets
	£	£	£	£	£
Restricted funds	1,333,276	117,465	404,131	-	1,854,872
Unrestricted funds:-					
General	434,326	200,000	734,507	(304,259)	1,044,712
Designated	12,920	1,892,535	-	-	1,905,455
	<u>1,780,522</u>	<u>2,210,000</u>	<u>1,138,638</u>	<u>(304,259)</u>	<u>4,824,901</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net movement in funds	22,372	13,863
Interest payable	3,284	21,435
Interest receivable	(292)	(540)
Depreciation charges	57,557	59,740
Profit/(Loss) on disposal	11,307	(136,472)
Gain on investment properties revaluation	-	-
(Increase) / decrease in stocks	1,953	(1,564)
Decrease / (increase in debtors	(33,191)	375,095
(Decrease) / increase in creditors	(214,869)	(215,966)
Net cash flow from operating activities	<u>(151,879)</u>	<u>115,589</u>

**GROUNDWORK NORTH EAST
COMPANY LIMITED BY GUARANTEE
YEAR ENDED 31 MARCH 2020**

22. ANALYSIS OF NET DEBT

	At 1 Apr 2020	Cash flows	At 31 Mar 2021
	£	£	£
Long term borrowings	(304,259)	(21,712)	(325,971)
Short term borrowings	(16,669)	(11,051)	(27,720)
	<u>(320,928)</u>	<u>(32,763)</u>	<u>(353,691)</u>
Cash and cash equivalents	678,094	(113,415)	564,679
	<u><u>357,166</u></u>	<u><u>(146,178)</u></u>	<u><u>210,988</u></u>

23. RELATED PARTY TRANSACTIONS

The Trust is part of a national network of trusts being part of the Groundwork Federation. Any trading activities with other trusts are at arm's length on normal commercial terms.

The Trustees represent local authorities, businesses, community & voluntary organisations. All transactions with these bodies are on an arm's length basis.

Other Groundwork Trusts

The following transactions occurred with other Groundwork Trusts during the year;

	2021 £	2020 £
Included in debtors:		
Groundwork UK	110,988	50,175
Groundwork South Tyneside and Newcastle	31,337	11,508
Groundwork Yorkshire	11,535	10,072
	<u><u>153,860</u></u>	<u><u>71,755</u></u>
	2021 £	2020 £
Included in creditors:		
Groundwork South Tyneside and Newcastle	9,462	9,082
Groundwork Leeds	-	6,000
Groundwork UK	-	20,472
Groundwork Manchester	-	4,680
	<u><u>9,462</u></u>	<u><u>30,154</u></u>

24. CONTINGENT LIABILITIES

On 15 March 2018 a legal charge was registered against Groundwork North East by the Trustees of The National Heritage Memorial Fund regarding a grant of £697,700 was awarded for the Land of Oak and Iron project.