



Groundwork Wales

**Annual Report and
Financial Statements 2021/22**

Groundwork Wales

Charity registration no. 1096662
Company registration no. 3577896

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

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About Groundwork Wales

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

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

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

Groundwork harnesses the passion, skills and experience of 35 employees and 8 volunteer trustees. In 2020/21 we delivered projects and programmes to a value of some £1.36m.

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

Chairman's statement

As Chair, I am proud of the role Groundwork Wales is playing across south and mid Wales to create stronger, healthier communities, responsible business, and greater prospects for local people.

We began 2021 during the UK's third national lockdown and it was a particularly tough start to a new year for everyone and we ended 2021/22 facing rapidly rising living costs, on the backdrop of the Russian invasion of Ukraine, and the ongoing climate crisis. When confronted with a significant disruptive threat, the reaction of Groundwork Wales staff and volunteers has proven what teamwork and effective management can do.

This has been another very busy year for Groundwork Wales staff, volunteers, and partners, resulting in the delivery of some amazing projects albeit facing some incredible challenges in the face of these pressures. Groundwork Wales has proven to be resilient, and our strategy enabled us to continue to make progress and to support our communities.

We deliver much of our impact through our partnership and enabling individuals and communities to act for themselves. We continue to educate communities and regenerate environments through our Green Teams, Green Communities and Green Education strategy and are delighted that Valleys Regional Park contracted Groundwork Wales to deliver the Valleys Regional Park (VRP) Guardians Scheme. The VRP Guardians have made a positive impact on the communities and the local environments they serve. Groundwork Wales also worked with the Welsh Government Green to develop eco-therapy services with local partners across the south Wales valleys. The healthy rivers programme continues to engage local people in the conservation of local rivers through volunteering opportunities, community river care days and accredited training. Routes2Life provides disadvantaged and often vulnerable adults and young people an education and skills development programme as a positive way forward. Our Green Dragon Standard supports companies in implementing an environmental Management System appropriate to the nature and scale of their activities. Our Greencare Team delivers landscape services that enable everyone and everything to profit - landscape, skills, employment, and Groundwork Wales's wider activities.

As Chair I expect to see that Groundwork Wales continue in the future to develop those meaningful interventions that support the wellbeing of our communities and individuals and use its innovative personalised approaches to address some of Wales's most urgent problems.

Jeff Greenidge
Chairman

Governance

Registration numbers

Charity Registration Number 1096662
Company Registration Number 03577896

Structure

Groundwork Wales' governing documents are its Memorandum and Articles of Association, which were last amended by written resolution in March 2016.

Board of trustees

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

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

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

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

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

Related party transactions

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

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

Our commitments

Everything Groundwork Wales does is underpinned by a set of values, which inform the way we work and behave.

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. We do not undertake widespread fundraising from the general public.

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

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

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

Objectives and public benefit

Groundwork Wales' charitable objectives are set down in its Memorandum of Association and date from the interpretation of charitable activities when they were drafted in 1998, as amended at annual general meetings and by written resolution. They commit Groundwork Wales to delivering and promoting regeneration and sustainable development as follows:

CHECK The objects of the Company are firstly to promote the conservation, protection and improvement of the physical and natural environment anywhere in the area; secondly 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 Wales"; thirdly to advance public education in environmental matters and of the ways or better conserving, protecting and improving the same wheresoever; and fourthly to promote the efficiency of other charities having objects similar to the objects of the Company.

Groundwork Wales' trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the organisation's objectives and planning future activities. In particular, the trustees consider how planned activities will contribute to the charitable objectives set out above. Further details about the impact of Groundwork Wales' activities during 2020/21 can be found on the following pages.

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

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

Strategic report for the year ended 31 March 2022

The Board of Trustees presents its report for the year ended 31 March 2022. This includes statements about our organisation (page 9), its objectives and its governance (pages 5), our financial and operational review for the year (pages 9-10), our plans for the future (pages 8) and details of our trustees, senior staff and advisers (pages 48-49).

1. Performance overview

2021/22 was a year of recovery, following the global Coronavirus pandemic.

We were able to make some financial surplus in the year, as well as providing for future needs in terms of building maintenance and refurbishment. The designated fund was increased to £82,800 to have sufficient money to undertake remedial repairs to the roof and windows of the building, with the boiler replacement now complete, and building maintenance work scheduled.

The vast majority of activities set out in our business plan for the year have been delivered

Tight control of our costs and good performance on existing programmes has enabled us to report a financial surplus, allowing us to continue adding gradually to reserves to meet our target of holding a year's worth of operating costs. Our social enterprise elements performed well, with trading resulting in positive financial performance, while meeting our organisational objectives.

Activity highlights

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

Last year we sourced £1,347k of funding or enterprising income to support our collective mission.

Groundwork Wales' activities have added value to communities as follows: -

Supporting communities through grants

Helping to equip communities with the skills, capacity and networks needed to bring about change in their local area has been core to Groundwork's mission since its inception. Groundwork Wales has developed its role as a grant manager on behalf of businesses and government, providing robust systems informed by feedback from community groups and supported 'on the ground' by a network of Groundwork Trust enablers. Groundwork Wales has contributed as follows.

- The **Tesco Bags of Help** programme entered a new phase during the year with the small grant scheme supplemented by a 'flagship' programme to mark the celebration of Tesco's centenary. The programme continues to meet all of its KPIs, and receive positive feedback from Tesco colleagues and community groups. In 2021/22, Bags of Help has provided more than £89 million across the UK to over 18,000 local community in the UK.

Programmes

We run a broad range of programmes, all of which benefit communities and individuals in line with our objectives, including:

- WeCare
- Healthy Rivers
- Routes2Life
- The Green Dragon Environmental Standard
- Tesco Bags of Help (through Tesco Enablers)

- Greencare
- Valleys Regional Park Guardians
- Furniture Revival (Groundwork Caerphilly)
- Environment Centre

The Groundwork Federation

We continue to take an active part as a member of the Federation of Groundwork Trusts, collaborating and learning from others where appropriate.

2. Our plans for the future

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

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

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

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

3 Financial performance

Groundwork Wales' net incoming resources for 2021/22 totalled £1.347 million (compared to £1.156 million in 2020/21), with an unrestricted surplus of £126,061.

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

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

3.1 Reserves

In line with this financial strategy our trustees have agreed that we should aim to hold 3 months operating costs (circa £335K) in liquid reserves. We believe this is appropriate for the following reasons:

- to absorb short term setbacks such as loss or delays in funding
- to provide the working capital required to finance retrospective programme funding which can result in considerable timing differences between expenditure and receipt of funds
- to cover the cost of investing in staff training and development to develop new and improved services for Groundwork
- to cover the cost of developing new services, such as improved communications, research and quality and business information systems

- to set aside funds for capital assets such as ICT equipment
- to provide funding to cover any unforeseen downturn in activity, allowing alternative activity to be generated and/or a planned down-sizing of our staff team.

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

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

Our level of free liquid reserves at the end of 2021/22 stands at £559,855. Our general fund reserve does not include designated funds, which have been set aside for specific purposes, or restricted funds, which represent advance payments by funders held by Groundwork Wales pending completion of project work by Groundwork Trusts and other delivery partners.

Unrestricted reserves total £604K (2020/21: £512K).

Restricted funds can only be used in accordance with agreements reached with funders relating to programmes of work and therefore do not form part of the general reserves that are under the control of the trustees. These funds will all be distributed during 2022/23. The future movements on any such restricted funds reflect the long-term nature of Groundwork Wales programme activity and in no way reflects on the organisation's financial efficiency or performance.

The charities subsidiary Groundwork Caerphilly reported an overall net surplus of £70,604 (2020/21 £42,375) as detailed in note 10.

3.2 Investments

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

We do not currently invest monies.

3.3 Grant making policy

Groundwork Wales delivers its mission primarily by distributing grants to other delivery partners and to community groups. These funds are considered to be performance related grants and are recognised in these financial statements to the extent that the projects which they are funding have been completed. All grant programmes have specific guidelines, criteria and priorities with a formal process of approval.

3.4 Principal funding sources

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

- Private Sector Grants and contracts – £182K (£210K in 2020/21)
This includes funds provided by businesses, trusts and foundations, most notably £46,500 provided by Tesco to support community groups through the Bags of Help programme. Other major funders during 2020/21 included Bridgend County Borough Council
- Public sector grants and contracts - £428K (£178K in 2020/21)
This includes funding secured to deliver programmes and services on behalf of government departments, public bodies and lottery distributors.

3.5 Expenditure on charitable objectives

In line with the objectives set out in our Groundwork 2020 strategy and the Groundwork Wales business plan, our expenditure in the year was directed towards the provision of resources to support frontline delivery and ensure our organisation delivers effectively and safely.

3.6 Key Performance Indicators

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

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

Performance during 2021/22 has been positive in the context of recovery from the pandemic.

3.7 Sustainable Development Report

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

- **Areas of progress**

As a team, we continue to focus on ensuring that our staff adopt more sustainable practices in the workplace, both through ongoing reinforcement of messages around electricity use and waste but also through dedicated campaigns to promote sustainable travel. We prioritise ethical suppliers in our purchasing arrangements for utilities, catering, cleaning and promotional materials. As a small team of people, we recognise the biggest impact we can make lies in the programmes we manage and the campaigns we run. Our focus is on securing funds that can help people and groups make a positive impact on the environment, but we know we can do more to provide support to all those benefiting from our programmes to act in a more environmentally responsible way. As the whole of Groundwork refreshes its strategy for the next five years we will press for a stronger focus on developing programmes and services that help communities tackle waste and climate change.

3.8 Principal risks and uncertainties

Our board of trustees understands its responsibilities under the Charity Commission's Statement of Recommended Practice (SORP) for ensuring that the major risks to which the charity is exposed are identified and reviewed, and that there are systems in place to mitigate them.

Trustees regularly review the development and operation of our risk management process and receive quarterly updates on actions put in place to mitigate the most significant ongoing risks. Risks are identified by our staff teams and reviewed on a regular basis by our management team. All of Groundwork Wales' major programmes are managed on a risk basis with individual risk registers used both as management and reporting tools. We have a comprehensive business recovery plan in place, which is designed to ensure continuity of Groundwork Wales operations in the event of a crisis or disaster situation and which has been tested through scenarios in each team.

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

- Slow recovery in financial climate, inability to secure income and threat to bottom line and business viability
- Increased competition / Diminishing Grant funds
- Lower Business Viability/Pressure on reserves - Significant reduction in core funding WG, Significant reduction in funding Local Authorities
- Covid-19 Recovery

Groundwork Wales recognises that risk management is an essential part of good business practice and an effective mechanism of good governance. The Board is committed to ensuring that risk management processes are embedded throughout the organisation, and that these processes are used to help identify at an early stage issues that affect performance or the achievement of our purpose.

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

3.9 Financial instruments

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

4 Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure of the charity for that period.

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

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

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

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

Events after the year end

There have been no events to report.

Disclosure of information by the trustees to the auditor

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

Signed on behalf of the Board of trustees



Jeff Greenidge
Chairman

Date: 22-11-22

Independent Auditor's Report to members of Groundwork Wales

Opinion

We have audited the financial statements of Groundwork Wales (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including 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 parent charitable company'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's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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.

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. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in

the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and directors report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors report including the trustees report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report included within the trustees report.

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

- adequate accounting records have not been kept 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's 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.

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 parent 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 groups 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under [the Companies Act 2006 and report in accordance with this Act.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report

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

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

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

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

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

Use of our report

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



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

Date: 15-12-2022

Groundwork Wales
Consolidated Statement of financial activities for the year ended 31 March 2022
Including Income and Expenditure Account

	Note	2022 Un- restricted funds £	2022 Restricted funds £	2022 Total £	2021 Total £
Income From:					
Donations and legacies	2	4,988	59,293	64,281	15,201
Charitable activities	3	1,021,383	588,797	1,610,180	1,345,656
Other income	2	32,984	-	32,984	4,831
Investments	2	-	-	-	5
TOTAL		<u>1,059,355</u>	<u>648,090</u>	<u>1,707,445</u>	<u>1,365,693</u>
Expenditure on:					
Charitable activities	4	933,374	577,407	1,510,781	1,262,891
TOTAL		<u>933,374</u>	<u>577,407</u>	<u>1,510,781</u>	<u>1,262,891</u>
Net movement in funds		125,981	70,683	196,664	102,802
Reconciliation of funds					
Fund balances brought forward	16	595,165	174,179	769,344	666,542
Fund balances carried forward	15,16	<u>721,146</u>	<u>244,862</u>	<u>966,008</u>	<u>769,344</u>

Incoming resources and resources expended derive from continuing operations.

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

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

The notes pages 21 to 49 form part of these financial statements.

Groundwork Wales
Charity Statement of financial activities for the year ended 31 March 2022
Including Income and Expenditure Account

	Note	2022 Un- restricted funds £	2022 Restricted funds £	2022 Total £	2021 Total £
Income From:					
Donations and legacies	2	4,988	2,362	7,350	12,934
Charitable activities	3	759,190	580,569	1,339,759	1,143,079
TOTAL		<u>764,178</u>	<u>582,931</u>	<u>1,347,109</u>	<u>1,156,013</u>
Expenditure on:					
Charitable activities	4	671,391	549,657	1,221,048	1,095,587
TOTAL		<u>671,391</u>	<u>549,657</u>	<u>1,221,048</u>	<u>1,095,587</u>
Net income/(expenditure)		92,787	33,274	126,061	60,426
Transfers between funds		-	-	-	-
Net movement in funds	7	<u>92,787</u>	<u>33,274</u>	<u>126,061</u>	<u>60,426</u>
Reconciliation of funds					
Fund balances brought forward	16	512,151	22,521	534,672	474,246
Fund balances carried forward	15,16	<u>604,938</u>	<u>55,795</u>	<u>660,733</u>	<u>534,672</u>

Incoming resources and resources expended derive from continuing operations.

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

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

The notes pages 21 to 49 form part of these financial statements.

Groundwork Wales

Consolidated Balance sheet at 31 March 2022

<i>Company number 03577896</i>	Note	2022	2022	2021	2021
		£	£	£	£
Fixed assets					
Intangible assets	8		2,678		4,076
Tangible assets	9		233,472		167,059
			<u>236,150</u>		<u>171,135</u>
Current assets					
Stock		11,109		8,737	
Debtors	11	225,484		274,074	
Cash at bank		731,713		632,357	
		<u>968,306</u>		<u>915,168</u>	
Creditors: amounts falling due within one year	12	(238,448)		(316,959)	
Net current assets		<u>729,858</u>		<u>598,209</u>	
Net assets		<u>966,008</u>		<u>769,344</u>	
Reserves					
Unrestricted funds:					
General Funds	16	579,882		509,744	
Designated funds	16	141,264		85,421	
Restricted funds	16	244,862		174,179	
		<u>966,008</u>		<u>769,344</u>	

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



Mr J D Greenidge
Chairman

The notes pages 21 to 49 form part of these financial statements.

Groundwork Wales

Charity Balance sheet at 31 March 2022

<i>Company number 03577896</i>	Note	2022	2022	2021	2021
		£	£	£	£
Fixed assets					
Tangible assets	9		47,083		11,310
Current assets					
Debtors	11	376,078		436,336	
Cash at bank		438,844		377,754	
		<u>814,922</u>		<u>814,090</u>	
Creditors: amounts falling due within one year	12	(201,272)		(290,728)	
Net current assets		<u> </u>	613,650	<u> </u>	523,362
Net assets			<u>660,733</u>		<u>534,672</u>
Reserves					
Unrestricted funds:					
General Funds	16		546,474		491,730
Designated funds	16		58,464		20,421
Restricted funds	16		55,795		22,521
			<u>660,733</u>		<u>534,672</u>

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


Mr J D Greenidge
Chairman

The notes pages 21 to 49 form part of these financial statements.

Groundwork Wales

Cash flow statement for the year ended 31 March 2022

	Note	2021/22 £	2020/21 £
Cash flow from operating activities			
Net cash provided by operating activities	20	196,115	179,434
Cash flows from investing activities			
Dividends, interest and rents from investments		-	5
Purchase of property, plant and equipment		(101,426)	(4,798)
Proceeds from the disposal of fixed assets		4,667	-
Net cash provided by investment activities		<u>(96,759)</u>	<u>(4,793)</u>
Change in cash and cash equivalents in the reporting period		99,356	174,641
Cash and cash equivalents at the beginning of the reporting period		632,357	457,716
Cash and cash equivalents at the end of the reporting period		<u>731,713</u>	<u>632,357</u>

The notes pages 21 to 49 form part of these financial statements.

1 Charity Information

Groundwork Wales is a private company limited by guarantee incorporated in England and Wales. The registered office is Ty Mynyddislwyn, Bryn Road, Pontllanfraith, Blackwood, Gwent, NP12 2PH.

Accounting Policies

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

Basis of Preparation

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

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

The accounts have been prepared under the historical cost convention.

No separate cash flow statement has been presented for the charity itself as the charity has taken advantage of the exemptions in paragraph 1.12 of FRS 102.

Rounding

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

Presentation of the accounts on a going concern basis

The charity reported a net unrestricted inflow of £92,787 for the year. The group reported a net unrestricted inflow of £125,981. This charity has sufficient free reserves and is monitoring results on a frequent basis. The trustees are of the view that on this basis the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

Basis of consolidation

The financial statements represent the consolidated financial position of the group. This comprises Groundwork Caerphilly and GC Enterprises (Wales) Limited. Groundwork Caerphilly is a subsidiary of Groundwork Wales and Groundwork Caerphilly own 100% of the share capital of GC Enterprises (Wales) Limited, which is now dormant.

The financial statements are consolidated on a line-by-line basis and cover the consolidated financial position and transactions of all companies controlled by the charity from the date of acquisition. All intra group transactions are eliminated on consolidation.

Fund accounting

Unrestricted funds are available for use at the discretion of the directors in furtherance of the Trust's general objectives.

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

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

Income

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

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

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

Allocation of expenditure

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

Charitable activities

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

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

Governance costs

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

Resources expended

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

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

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

Intangible assets

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

Tangible fixed assets

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

Computers	33.33% on cost
Office Equipment	20% on cost
Plant and Machinery	20% on cost
Buildings	2.5% on cost
Land	0% on cost
Motor Vehicles	20% on cost

Stocks

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

Cash and cash equivalents

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

Financial instruments

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

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

Derecognition of financial liabilities

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

Capital grants received

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

Operating lease costs

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

Liabilities policy

Liabilities are recognised in the Statement of Financial Activities as they become payable.

Pensions

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

Taxation

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

Critical accounting estimates and judgements

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

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

2 Incoming resources

Incoming resources from generated funds

	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Total £
Voluntary income				
<u>Group</u>				
Donations	4,988	59,293	64,281	15,201
	<hr/> 4,988	<hr/> 59,293	<hr/> 64,281	<hr/> 15,201
<u>Charity</u>				
Donations	4,988	2,362	7,350	12,934
	<hr/> 4,988	<hr/> 2,362	<hr/> 7,350	<hr/> 12,934
Other trading activities				
<u>Group</u>				
Trading company income	32,984	-	32,984	4,831
	<hr/> 32,984	<hr/> -	<hr/> 32,984	<hr/> 4,831
Investments				
<u>Group</u>				
Bank interest	-	-	-	5
	<hr/> -	<hr/> -	<hr/> -	<hr/> 5

3 Incoming resources

Incoming resources from charitable activities provided by:

	2022 Unrestricted	2022 Restricted	2022 Total	2021 Total
<u>Group</u>	£	£	£	£
Welsh Assembly	-	412,764	412,764	648,947
Public Agencies and National Charities	332,777	95,478	428,255	177,549
Local Authority	325,164	18,436	343,600	209,541
Private Sector	363,442	62,119	425,561	209,987
Other income	-	-	-	99,632
	<u>1,021,383</u>	<u>588,797</u>	<u>1,610,180</u>	<u>1,345,656</u>

	2022 Unrestricted	2022 Restricted	2022 Total	2021 Total
<u>Charity</u>	£	£	£	£
Welsh Assembly	-	404,536	404,536	541,318
Public Agencies and National Charities	332,777	95,478	428,255	177,549
Local Authority	306,728	18,436	325,164	209,541
Private Sector	119,685	62,119	181,804	209,987
Other income	-	-	-	4,686
	<u>759,190</u>	<u>580,569</u>	<u>1,339,759</u>	<u>1,143,079</u>

4 Charitable activities

Expenditure on projects related to the following activities:

Group	2022 Total £	2021 Total £
Direct costs		
Staff Costs	705,241	676,288
Volunteer Costs	5,587	304
Material & direct purchases	121,998	61,664
Subcontractors & Consultancy	213,463	191,274
Training and Recruitment	52,051	14,016
Project Travel and Transport	42,083	22,104
Project Publicity	20,603	4,396
Trainee allowances and expenses	45,916	4,340
Professional Fees	67,302	66,078
Administration & Sundry	2,504	6,570
Communications & IT	6,076	12,172
Motor, travel & expenses	200	78
Premises expenses	3,518	350
	<u>1,286,542</u>	<u>1,059,634</u>
Support costs		
Staff Costs	116,384	116,511
Recruitment & Training	225	-
Premises Expenses	19,285	26,706
Depreciation	26,030	22,182
Legal and professional	-	2,820
Communications & IT	15,754	4,099
Administration & Sundry	4,047	677
Governance	42,514	30,262
	<u>224,239</u>	<u>203,257</u>
Total	<u>1,510,781</u>	<u>1,262,891</u>
Analysed between:		
Unrestricted	933,374	466,682
Restricted	577,407	796,209
	<u>1,510,781</u>	<u>1,262,891</u>

4 Charitable activities (continued)

Expenditure on projects related to the following activities:

	2022 Total £	2021 Total £
<u>Charity</u>		
Direct costs		
Staff Costs	564,140	536,561
Volunteer Costs	4,873	123
Material & direct purchases	72,269	45,278
Subcontractors & Consultancy	213,463	191,208
Training and Recruitment	52,051	14,016
Project Travel and Transport	14,070	8,222
Project Publicity	19,900	4,396
Trainee allowances and expenses	45,916	4,340
Professional fees	67,302	66,078
Communications & IT	5,380	11,797
Administration & Sundry	1,219	38,941
Premises Expenses	(4,268)	12,261
Motor Travel and Expenses	-	36
	<u>1,056,315</u>	<u>933,257</u>
Support costs		
Staff Costs	87,955	98,412
Recruitment & Training	225	-
Premises Expenses	13,527	15,127
Motor Travel and Expenses	-	-
Legal and professional	-	1,496
Communications & IT	15,098	4,471
Administration & Sundry	3,696	555
Depreciation	8,722	9,771
Governance	35,510	32,498
	<u>164,733</u>	<u>162,330</u>
Total	<u>1,221,048</u>	<u>1,095,587</u>
Analysed between:		
Unrestricted	671,391	416,706
Restricted	549,657	678,881
	<u>1,221,048</u>	<u>1,095,587</u>

The charity paid grants to the following institutions during the period:

	2022 £	2021 £
Groundwork North Wales	125,000	184,526
	<u>125,000</u>	<u>184,526</u>

5 Employees

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

<u>Group</u>	2022	2021
Direct charitable	25	30
Management and admin	6	7
	<u>31</u>	<u>37</u>

Charity

Direct charitable	34	21
Management and admin	7	6
	<u>41</u>	<u>27</u>

The aggregated cost of these persons was as follows.

<u>Group</u>	2022 £	2021 £
Wages and salaries	725,694	690,844
Social security costs	56,482	53,918
Pension costs	39,449	36,222
	<u>821,625</u>	<u>780,984</u>

Charity

Wages and salaries	567,033	542,343
Social security costs	50,383	48,695
Pension costs	34,679	32,121
	<u>652,095</u>	<u>623,159</u>

The emoluments of employees (excluding pension contributions) over £60,000 per annum are disclosed in £10,000 bands as follows.

	2022 No.	2021 No.
£60,000 - £70,000	-	-
	-	-

Key management personnel

The key senior management personnel of the charity are as detailed in the Trustees report with a total cost in 2022 of £183,271 (2021: £178,599). Total contributions under defined contribution schemes on behalf of these higher paid employees were £11,751 (2021: £10,605).

6 Transactions with trustees

No trustees received any remuneration for services performed on behalf of the charity.

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

7 Net incoming resources

<u>Group</u>	2022 £	2021 £
Net incoming resources for the year is stated after charging:		
Auditor's remuneration:	10,285	11,700
Depreciation of owned fixed assets	24,693	20,784
Operating lease rentals	1,656	1,656
Amortisation	1,398	1,398
	<hr/>	<hr/>
<u>Charity</u>		
Net incoming resources for the year is stated after charging:		
Auditor's remuneration:	6,325	7,200
Operating lease rentals	1,656	1,656
Depreciation of owned fixed assets	8,722	9,771
	<hr/>	<hr/>

8 Intangible fixed assets

<u>Group</u>	IT equipment £
<i>Cost</i>	
At 1 April 2021	6,988
At 31 March 2022	<u>6,988</u>
<i>Amortisation</i>	
At 1 April 2021	2,912
Amortisation charge	1,398
At 31 March 2022	<u>4,310</u>
<i>Net book value</i>	
At 31 March 2022	<u>2,678</u>
<i>Net book value</i>	
At 31 March 2021	<u>4,076</u>

9 Tangible assets

<u>Group</u>	Plant and machinery	Motor vehicles	Buildings	Total
<i>Cost or Valuation</i>				
At 1 April 2021	51,101	26,023	150,000	227,124
Additions	-	101,426	-	101,426
Disposals	(38,885)	(12,873)	-	(51,758)
At 31 March 2022	12,216	114,576	150,000	276,792
<i>Depreciation</i>				
At 1 April 2021	30,100	11,215	18,750	60,065
Charged for the year	11,144	11,699	1,875	24,718
Disposals	(33,631)	(7,832)	-	(41,463)
At 31 March 2022	7,613	15,082	20,625	43,320
<i>Net book value</i>				
At 31 March 2022	4,603	99,494	129,375	233,472
At 31 March 2021	21,001	14,808	131,250	167,059

<u>Charity</u>	Plant and machinery	Motor Vehicles	Total
<i>Cost or Valuation</i>			
At 1 April 2021	32,365	-	32,365
Additions	-	44,495	44,495
Disposals	(20,779)	-	(20,779)
At 31 March 2022	11,586	44,495	56,081
<i>Depreciation</i>			
At 1 April 2021	21,055	-	21,055
Charged for the year	7,311	1,411	8,722
Disposals	(20,779)	-	(20,779)
At 31 March 2022	7,587	1,411	8,998
<i>Net book value</i>			
At 31 March 2022	3,999	43,084	47,083
<i>Net book value</i>			
At 31 March 2021	11,310	-	11,310

10 Charitable Subsidiary

Groundwork Caerphilly

On 1 February 2015 the charity became a subsidiary of Groundwork Wales, Groundwork Caerphilly is a charitable company, limited by guarantee and incorporated on 14 May 1990 in England and Wales. Company number 02501792, charity number 1006811 – registered 13 December 1991. The objects of the charity are:

- To promote firstly the conservation protection and improvement of the physical and natural environment.
- To provide facilities in the interests of social welfare for recreation and leisure.
- To advance public education in environmental matters and of better ways of better conserving protecting and improving the same.

A summary of the results are shown below:

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Summary Income and Expenditure Account:		
Total income	360,337	287,267
Total expenditure	(289,733)	(244,892)
Surplus/(Deficit) for the financial year	<u>70,604</u>	<u>42,375</u>
 Summary Balance Sheet:		
Total assets	507,228	478,251
Total liabilities	(201,853)	(243,481)
Net assets	<u>305,375</u>	<u>234,770</u>
 Restricted funds carried forward	116,308	151,457
Unrestricted funds carried forward	<u>189,067</u>	<u>83,313</u>
	<u>305,375</u>	<u>234,770</u>

11 Debtors

	2022	2021
<u>Group</u>	£	£
Trade debtors	116,414	237,052
Prepayments and Accrued Income	109,070	34,175
Other debtors	-	2,847
	<u>225,484</u>	<u>274,074</u>
<u>Charity</u>		
Trade debtors	106,713	193,404
Amounts due from group entities	164,697	217,269
Prepayments and Accrued Income	104,668	25,663
	<u>376,078</u>	<u>436,336</u>

12 Creditors

	2022	2021
<u>Group</u>	£	£
Trade Creditors	38,607	27,136
Accruals & Deferred Income	188,102	268,905
VAT	11,689	20,001
Other creditors	50	917
	<u>238,448</u>	<u>316,959</u>
<u>Charity</u>		
Trade Creditors	33,559	24,741
Accruals & Deferred Income	157,558	246,081
VAT	10,105	18,989
Other creditors	50	917
	<u>201,272</u>	<u>290,728</u>

13 Deferred income

Contained in the accruals and deferred balance above is deferred income in relation to performance related grants and contracts which relates to the 2022/23 financial year.

Group

	Balance at 1 April 2021 £	Transferred from deferred income £	Balance at 31 March 2022 £
Programmes	125,876	(98,680)	27,196

Deferred income related to income received for programmes with delivery in the next year.

Charity

	Balance at 1 April 2021 £	Transferred from deferred income £	Balance at 31 March 2022 £
Programmes	125,876	(98,680)	27,196

Deferred income related to income received for programmes with delivery in the next year.

14 Operating leases

<u>Group</u>	Land & Buildings		Other	
	2022	2021	2022	2021
	£	£	£	£
Due in 1 year	-	-	694	1,656
Due in 2-5 years	-	-	-	694
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	694	2,350
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Charity</u>			Other	
			2022	2021
			£	£
Due in 1 year			694	1,656
Due in 2-5 years			-	694
			<hr/>	<hr/>
			694	2,350
			<hr/>	<hr/>

15 Analysis of net assets at 31 March 2022

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total £
Intangible & Tangible fixed assets	47,083	189,067	236,150
Net current assets	674,063	55,795	729,858
	<u>721,146</u>	<u>244,862</u>	<u>966,008</u>

Charity

Tangible fixed assets	47,083	-	47,083
Net current assets	557,855	55,795	613,650
	<u>604,938</u>	<u>55,795</u>	<u>660,733</u>

Previous year

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total £
Intangible & Tangible fixed assets	20,254	150,881	171,135
Net current assets	574,911	23,298	598,209
	<u>595,165</u>	<u>174,179</u>	<u>769,344</u>

Charity

Tangible fixed assets	11,310	-	11,310
Net current assets	500,841	22,521	523,362
	<u>512,151</u>	<u>22,521</u>	<u>534,672</u>

16 Statement of funds

Unrestricted funds

<u>Group</u>	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
General funds	509,744	1,015,938	(913,800)	(32,000)	579,882
Designated funds	85,421	43,417	(19,574)	32,000	141,264
At 31 March 2022	595,165	1,059,355	(933,374)	-	721,146

Charity

General funds	491,730	720,761	(666,017)	-	546,474
Designated funds	20,421	43,417	(5,374)	-	58,464
At 31 March 2022	512,151	764,178	(671,391)	-	604,938

Previous year

<u>Group</u>	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
General funds	419,831	538,210	(466,682)	18,367	509,744
Designated funds	30,000	-	-	55,421	85,421
At 31 March 2021	449,831	538,210	(466,682)	73,788	595,645

Charity

General funds	416,910	438,159	(416,706)	53,367	491,730
Designated funds	-	-	-	20,421	20,421
At 31 March 2021	416,910	438,159	(416,706)	73,788	512,151

16 Statement of funds (continued)

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

Designated funds

<u>Group</u>	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Building maintenance costs	66,000	-	(14,296)	32,000	83,704
Cardiff City Council					
Donation	8,000	9,324	(225)	-	17,099
Food Sense Wales	11,421	-	(5,053)	-	6,368
Office Deco	-	1,100	-	-	1,100
Marketing	-	2,000	-	-	2,000
2xVan Dep	-	23,993	-	-	23,993
BD Consultancy	-	2,000	-	-	2,000
Translation	-	5,000	-	-	5,000
At 31 March 2022	85,421	43,417	(19,574)	32,000	141,264

The board have agreed to designate £83,704 in respect of providing for future building maintenance costs.

<u>Charity</u>	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Building maintenance costs	1,000	-	(96)	-	904
Cardiff City Council					
Donation	8,000	9,324	(225)	-	17,099
Food Sense Wales	11,421	-	(5,053)	-	6,368
Office Deco	-	1,100	-	-	1,100
Marketing	-	2,000	-	-	2,000
2xVan Dep	-	23,993	-	-	23,993
BD Consultancy	-	2,000	-	-	2,000
Translation	-	5,000	-	-	5,000
At 31 March 2022	20,421	43,417	(5,374)	-	58,464

The board have agreed to designate £1,000 in respect of providing for future building maintenance costs.

16 Statement of funds (continued)

Designated Funds (continued)

Previous year

<u>Group</u>	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Building maintenance costs Cardiff City Council	30,000	-	-	36,000	66,000
Donation	-	-	-	8,000	8,000
Food Sense Wales	-	-	-	11,421	11,421
At 31 March 2021	30,000	-	-	55,421	85,421

<u>Charity</u>	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Building maintenance costs Cardiff City Council	-	-	-	1,000	1,000
Donation	-	-	-	8,000	8,000
Food Sense Wales	-	-	-	11,421	11,421
At 31 March 2021	-	-	-	20,421	20,421

16 Statement of funds (continued)

Restricted funds

<u>Group</u>	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
ACT (Traineeships)	594	-	-	-	594
Business Resilience Fund	-	568	(238)	-	330
Circular Economy fund	-	56,931	(6,642)	-	50,289
D'Oyly Carte	-	2,362	-	(2,362)	-
Garfield Weston (Capital)	18,860	-	(9,828)	-	9,032
Get Together (FSW)	11,421	15,053	(15,257)	-	11,217
Grantscape	776	-	(776)	-	-
Groundwork Wellbeing (WG)	-	33,886	(32,523)	-	1,363
Job Retention Scheme	-	21,301	(21,301)	-	-
NatWest Enterprise Officer	228	-	-	-	228
Nurture, Equip, Thrive	2,667	-	-	-	2,667
Postcode Lottery (R2L)	-	15,449	(13,550)	-	1,899
Regeneration [WG]	-	125,000	(125,000)	-	-
Routes to life	744	18,436	(18,674)	-	506
Tesco Enablers	-	46,500	(16,377)	-	30,123
Tesco Play	6,652	-	-	-	6,652
Ty Mynyddislwyn Environment Centre	131,250	-	(1,875)	-	129,375
Welsh Government - ENRaW	215	265,896	(265,896)	-	215
WCVA	-	16,554	(18,916)	2,362	-
WCVA - Landfill Disposals Tax Communities Scheme Grant	-	30,154	(30,154)	-	-
Windpower Community Fund	772	-	(400)	-	372
At 31 March 2022	174,179	648,090	(577,407)	-	244,862

16 Statement of funds (continued)

Restricted funds (continued)

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Charity					
ACT (Traineeships)	594	-	-	-	594
Business Resilience Fund	-	568	(238)	-	330
D'Oyly Carte	-	2,362	-	(2,362)	-
Get Together (FSW)	11,421	15,053	(15,257)	-	11,217
Groundwork Wellbeing (WG)	-	33,886	(32,523)	-	1,363
Job Retention Scheme	-	13,072	(13,072)	-	-
NatWest Enterprise Officer	228	-	-	-	228
Nurture, Equip, Thrive	2,667	-	-	-	2,667
Postcode Lottery (R2L)	-	15,450	(13,550)	-	1,900
Regeneration [WG]	-	125,000	(125,000)	-	-
Routes to life	744	18,436	(18,674)	-	506
Tesco Enablers	-	46,500	(16,377)	-	30,123
Tesco Play	6,652	-	-	-	6,652
WCVA: Active Inclusion	-	16,554	(18,916)	2,362	-
WCVA – Landfill Disposals Tax Communities Scheme Grant	-	30,154	(30,154)	-	-
Welsh Government – ENRaW	215	265,896	(265,896)	-	215
At 31 March 2022	22,521	582,931	(549,657)	-	55,795

16 Statement of funds (continued)

Restricted funds

ACT Traineeships – funding provided towards providing traineeships.

Business Resilience Fund - Welsh Government – Business Resilience provided funds towards core costs and the purchase of equipment for staff working remotely during Covid 19 lockdown.

Circular Economy Capital Fund 2020-21 - This fund was open to local authorities to help Wales shift towards a circular economy driving further increases in recycling and decarbonisation.

D'Oyly Carte - Funding to support the costs of running Routes2Life, a horticultural project and site near Blackwood, for social and therapeutic horticulture by using gardening or other environmental activities to bring about positive changes in the lives of those who are living with disabilities or ill-health.

Garfield Weston – grant funding provided for capital expenditure and the funding is being depreciated in line with charity's depreciation policy. Resources expended represents the depreciation charge for the year.

Get Together (FSW) - The fund aims to influence how food is produced and consumed in Wales, ensuring that sustainable food, farming and fisheries are at the heart of a just, connected and prosperous food system.

Grantscape - Pen Bryn Oer Wind Farm provides grant up to £2,000 for projects located within Community Council areas of Rhymney and Tredegar to provide grants to support community groups who offer vital services related activities or towards improvements to community amenities.

Groundwork Wellbeing (WG) Heritage Fund - Funding a broad range of projects that connect people and communities to the national, regional and local heritage of the UK.

Job Retention Scheme – relates to government funding to support 80% of salary costs of staff furloughed during the COVID 19 pandemic.

NatWest Enterprise Officer - funding to employ a member of staff to offer financial literacy skills to beneficiaries.

Nurture, Equip, Thrive - This is a European funded programme which supports people to undertake health and wellbeing activity when they are off work sick, and also helps organisations to help their workforces to stay healthy and fit at work, preventing illness and supporting wellbeing.

Postcode Lottery (R2L) - The aim of the fund is to support smaller charities and good causes to make a difference to their community for the benefit of people and the planet.

Regeneration [WG] - This core funding continues to support our organisation with a focus on town centre work.

16 Statement of funds (continued)

Routes to life – We continue to run our horticultural project; providing placements for a wide range of clients and volunteers.

Tesco Enablers

We continue to operate as a partner to the Tesco Bags of Help programme, which supports community groups to apply for funding raised through the sales of carrier bags.

Tesco Play - Tesco Bags of Help is funded a series of small, localised environmental conservation sessions for families and children. The sessions will be delivered on a range of community green space sites across South Wales.

Ty Mynyddislwyn Environment Centre - This represents funding provided to purchase the property under the capital asset transfer scheme. The property is being depreciated in line with the charity's depreciation policy. Resources expended represents the depreciation charge for the year.

Welsh Government – ENRaW - Our We Care programme enables us to provide opportunities for people to participate in Green Teams, Volunteering and Education whilst also achieving accreditation. The Programme supports the biodiversity and community ownership of green spaces and we work in partnership with Groundwork North Wales.

WCVA – Landfill Disposals Tax Communities Scheme Grant - To support Aberbeeg Community Centre to make better use of its green space, including installation of seating area and planting of fruit trees. Funding term: 1 year from 1st December 2020.

Windpower Community Fund – grant funding provided for capital expenditure and the funding is being depreciated in line with charity's depreciation policy. Resources expended represents the depreciation charge for the year on a vehicle.

16 Statement of funds (continued)

Restricted funds

Previous year

Group	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
ACT (Traineeships)	-	17,243	(16,649)	-	594
Business Resilience Fund	-	41,442	(41,442)	-	-
Circular Economy fund	-	39,905	(39,905)	-	-
Garfield Weston (Capital)	25,459	-	(6,600)	-	18,859
Get Together (FSW)	-	12,500	(1,079)	-	11,421
Grantscape	-	2,000	(1,224)	-	776
Groundwork Wellbeing (WG)	-	892	(892)	-	-
Healthy Rivers	-	61,459	(37,328)	(24,131)	-
Job Retention Scheme	-	212,330	(212,330)	-	-
NatWest Enterprise Officer	228	-	-	-	228
Nurture, Equip, Thrive	17,109	11,494	(25,936)	-	2,667
Postcode Lottery (R2L)	-	4,309	(4,309)	-	-
Regeneration [WG]	-	125,000	(125,000)	-	-
Routes to life	744	23,824	(23,824)	-	744
Tesco Enablers	4,234	42,031	(24,731)	(21,534)	-
Tesco Play	6,683	-	(31)	-	6,652
Ty Mynyddislwyn Environment Centre	133,125	-	(1,875)	-	131,250
Waste Surveys	28,123	-	-	(28,123)	-
Welsh Government – ENRaW	215	229,379	(229,379)	-	215
Windpower Community Fund	772	-	-	-	772
Wood 2 Work	-	3,675	(3,675)	-	-
At 31 March 2021	216,693	827,483	(796,209)	(73,788)	174,179

16 Statement of funds (continued)

Restricted funds

Previous year

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
<u>Charity</u>					
ACT (Traineeships)	-	17,243	(16,649)	-	594
Business Resilience Fund	-	41,442	(41,442)	-	-
Get Together (FSW)	-	12,500	(1,079)	-	11,421
Groundwork Wellbeing (WG)	-	892	(892)	-	-
Healthy Rivers	-	61,459	(37,328)	(24,131)	-
Job Retention Scheme	-	144,606	(144,606)	-	-
NatWest Enterprise Officer	228	-	-	-	228
Nurture, Equip, Thrive	17,109	11,494	(25,936)	-	2667
Postcode Lottery (R2L)	-	4,309	(4,309)	-	-
Regeneration [WG]	-	125,000	(125,000)	-	-
Routes to life	744	23,824	(23,824)	-	744
Tesco Enablers	4,234	42,031	(24,731)	(21,534)	-
Tesco Play	6,683	-	(31)	-	6,652
Waste Surveys	28,123	-	-	(28,123)	-
Welsh Government – ENRaW	215	229,379	(229,379)	-	215
Wood 2 Work	-	3,675	(3,675)	-	-
At 31 March 2021	57,336	717,854	(678,881)	(73,788)	22,521

17. STATUS

Groundwork Wales is a company limited by guarantee, not having a share capital, exempt from the requirement to use the word 'limited' and is a registered charity. The liability of each member under the guarantee is limited to £1.

From 1 February 2015 Groundwork Caerphilly became a subsidiary of Groundwork Wales, that in turn owns 100% of the issued share capital of GC Enterprises (Wales) Limited. G C Enterprises (Wales) Limited has been dormant since 1 January 2018.

18. PENSION SCHEMES – GROUP

The group contributes to employee's own personal pension schemes. The pension cost charge represents contributions paid by the group to the individual schemes and amounted to £55,153 (2021: £36,222) during the year. At the year-end £nil (2021: £nil) was accrued in respect to contributions to the scheme.

PENSION SCHEMES – CHARITY

The Charity contributes to employee's own personal pension schemes. The pension cost charge represents contributions paid by the Charity to the individual schemes and amounted to £50,383 (2021: £32,121) during the year. At the year-end £nil (2021: £nil) was accrued in respect to contributions to the scheme.

19. RELATED PARTY TRANSACTIONS

From 1 February 2015 Groundwork Caerphilly became a subsidiary of Groundwork Wales. Groundwork Caerphilly owns 100% of the issued share capital of its trading subsidiary GC Enterprises (Wales) Limited.

The charity was owed £164,697 (2021: £217,269) by Groundwork Caerphilly at 31 March 2022.

During the year the charity was re-charged £14,561 (2021: £36,321) by Groundwork Caerphilly for expenditure made on its behalf.

During the year the charity donated £32, 000 (2021: £35,000) to Groundwork Caerphilly.

During the prior year the charity made related party transactions with the related party Ariege Ltd. The related party nature is due to the charity having a mutual trustee in Jeff Greenidge.

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

	2022 £	2021 £
Net income for the reporting period (as per the SOFA)	196,664	102,802
Adjusted for:		
Dividends, interest and rents from investments	-	(5)
Depreciation & amortisation charges	26,116	22,182
Proceeds from the disposal of fixed assets	5,628	-
(Increase)/decrease in stocks	(2,372)	(960)
(Increase)/decrease in debtors	48,590	10,862
Increase/(decrease) in creditors	(78,511)	44,553
Net cash provided by operating activities	<u>196,115</u>	<u>179,434</u>

Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	731,713	632,357
	<u>731,713</u>	<u>632,357</u>

Advisors

Auditors

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

Bankers

Barclays Bank Plc
South Wales Corporate Banking Team
PO Box 674
121 Queen Street
Cardiff
CF10 2XU

The Board of Trustees

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

Appointed trustees	First appointed	Last appointed	Retired/resigned
Mr B Matthew	11 March 2016		
Mrs N Rees	11 March 2016		
Mr J D Greenidge	9 February 2018		
Mr D Havard	28 February 2018		27 May 2022
Ms K Heenan-Davies	5 December 2018		11 November 2022
Mr P Fiander	10 December 2018		
Ms L Barry	27 August 2020		13 September 2021
Mr P Robinson	10 September 2020		5 May 2022
Mr S Williams	24 June 2022		
Mr J Parkin	8 November 2022		

Chairman

Mr J D Greenidge

Company Secretary

Ms K Stevenson

Chief Executive

Ms K Stevenson