

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

## **Groundwork London**

**(A company limited by guarantee)  
18 – 21 Morley Street  
London  
SE1 7QZ**

Registered Charity No. 1121105  
Registered Company No. 04212532 (England and Wales)

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## Report of the Trustees for the year ending 31 March 2022

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charitable company and its subsidiaries for the year ending 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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).

Groundwork London's operational focus is primarily on London; the City of London and the 32 London Boroughs. Groundwork London is also the sole company member of Groundwork South whose operational focus is on the South East and South West regions of England, and that part of the District of Three Rivers within the Colne Valley Regional Park. Where specialist services are required, these are delivered across both Trust areas by specialist teams.

Both Trusts have a Board of Trustees who are principally responsible for the strategic oversight and governance of Groundwork activities within their operational areas. Each Trust has its own business plan defining the activities it plans to deliver in its area of operation. Each Trust will produce an Annual Report and Financial Statements. This report includes the consolidated financial statements of Groundwork London and its subsidiaries, details of charitable activities within the two operation areas will be described separately within each company's annual report.

## Chair's Report

In our annual report of 2020/21 we noted the significance of the year being the beginning of the COVID-19 pandemic and the year the UK left Europe – we remarked that it was an extraordinarily challenging year for us all. It turns out that 2021/22 was another extraordinarily challenging year for us all as we continued to feel the longer term impacts of these life changing events.

Groundwork London works with communities across the capital to transform their lives and the places they live. We are operating in a city facing great social, economic and environmental challenges.

Over 2.5 million Londoners are living in deprivation, with many struggling in areas such as economic inequality, social stress, health and wellbeing, food and fuel poverty, environmental quality, and the impacts of a changing climate. Our work supports these diverse and vulnerable communities to find practical, long-term solutions to many such challenges.

Sadly, the need for our work continues to grow as communities and individuals struggle under these pressures. Last year, despite the challenges to the delivery of services, we exceeded our business plan targets significantly delivering over 600 projects to a value of £23m.

We did not do this on our own. The strength of our approach lies in the relationships we build and maintain with our funders and partners across the public, private, and voluntary sector, and within the communities themselves.

We offer our sincere thanks and appreciation to our staff, trustees, partners, and volunteers for all the hard work and passion they continually give to everything they do. It reminds us that we all share a vision for the future: where every Londoner can thrive and benefit from a greener, safer, healthier, and more equitable city.

We are pleased to present our 2021/22 Annual Report, demonstrating the difference we've made to the lives of thousands of Londoners.

As a member of the Groundwork Federation, we are proud to support our neighbouring Trust Groundwork South as our wholly owned subsidiary. Groundwork South has changed significantly in the last three years to ensure efficient and effective delivery of high quality services across the South East and South West of England, and will present its own Annual Accounts.

Whilst we take this time to reflect on our successes to date, it's important to also look towards the future. We know that the social, economic and environmental impacts have been immense and will be felt for many years to come, and that the poorest of our communities will be the most greatly affected.

We will continue to create and deliver services to meet the changing needs of London and its most in need communities, by working to three key strategic objectives:

- **Improving people's prospects** - delivering support to increase the confidence, skills, well-being, and employability of young people and adults.
- **Creating better places** - supporting communities to work together in making their neighbourhoods safer, healthier, greener, and more resilient to climate change; and enabling their active involvement in the decision-making concerning the services in their area.
- **Promoting greener living and working** - helping people, organisations, and businesses to learn more about their environmental impact and how they can behave more sustainably; addressing food and fuel poverty; and improving health and wellbeing.

We thank you all and look forward to working with you.

Alan Smith  
Chairman



# About Groundwork

## Vision

Our vision is of a society of sustainable communities which are vibrant, healthy and safe, which respect the local and global environment and where individuals and enterprise prosper.

## Mission

Our mission is to transform lives and places in communities in need.

## Our core values:

- **equality and diversity** - valuing differences and treating everybody and all things with respect
- **innovation and learning** - always looking for new and better ways of working
- **subsidiarity** - making decisions at a level as close as possible to the communities we serve
- **integrity and professionalism** - maintaining high personal and professional standards
- **partnership** - working alongside communities, public bodies, higher and further education institutions, private companies and other voluntary sector organisations to deliver maximum benefits to people, places and businesses
- **sustainability** - respecting nature's limits and the needs of future generation

## Our Approach

- **We operate within the Federation of Groundwork Trusts** - sharing learning and identifying local opportunities to national programmes, as well as collectively mobilising practical community action to accumulate impact on poverty and environmental issues right across the UK.
- **We work with others** - we collaborate with individuals, communities, Local Authorities, the Mayor of London and other public sector organisations, regional bodies, the private sector and the voluntary/charitable sector to deliver positive change in London.
- **We join things up** - we bring our skills and expertise and forge strong partnerships that enable us to deliver maximum impact for communities and maximum value for money for those who help us do it.
- **We support those in most need** - we provide targeted and inclusive support tailored to address the specific needs of vulnerable, excluded or diverse communities and tackle material hardship by building skills and capacity.
- **We measure our impact** – we focus the time and resources, as well as work with others, to really understand the impact of our work and the social value we are achieving.
- **We innovate** - we pilot and test new solutions and approaches. We embed successful practice in our future work and share our learning with others.

# Objectives and Activities

## Charitable Objectives

Groundwork London's charitable objectives are set down in its Articles of Association, they include:

- to advance public education in environmental matters and other ways of better conserving, protecting and improving the same wheresoever;
- to advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and promote study and research in such subjects;
- to promote the efficiency and effectiveness of charities in the direct furtherance of their objects; And within the area defined as London, the South East and South West regions of England, and that part of the District of Three Rivers within the Colne Valley Regional Park;
- to promote the conservation, protection and improvement of the physical and natural environment
- to provide facilities in the interest of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living or working in or resorting to the area;
- to promote for the public benefit urban and rural regeneration in areas of social and economic deprivation;
- to promote sustainable development for the benefit of the public;
- to promote the efficiency and effectiveness of the voluntary sector for the benefit of the public by the provision of information, support and advice to local community based groups.

## Strategic Objectives

To deliver our charitable objectives we:

- Create and deliver programmes and projects to meet the needs of local communities:
  - Improving people's prospects
  - Promoting greener living and working
  - Creating better places
- Build productive relationships and partnerships, influence and shape policies and share learning
- Maintain a strong, viable business, achieving excellence in service delivery

## Public Benefit Statement

All Groundwork London's activities contribute to the achievement of our strategic aims & objectives and are undertaken to further our charitable purposes for the public benefit. Our main activities and who we try to help are described below. We review our aims, objectives and activities each year in the Business Planning process. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are established to help. The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

## Grant Making Policy

The Trust administers applications for various grants schemes on behalf of partnerships with local authorities and other Public Agencies. The Applications are reviewed against specific criteria and business objectives, which are set out by the grants panels and awarded to constituted groups.

# Strategic Report

## Working with Groundwork South

Groundwork London is a member of the Groundwork Federation, together we are working locally and nationally to transform lives in the UK's most disadvantaged communities. In 2017 Groundwork London agreed to provide financial support and to become the sole company member of Groundwork South, to enable the Groundwork South Trust to continue to deliver Groundwork services in areas of need.

Groundwork South continues to operate with its own identity, its own geographical focus and with its own Board of trustees as an independent charity and company limited by guarantee. We are proud to support the Trust which has undergone significant change to ensure the effectiveness and efficiency in its operations whilst continuing to deliver high quality services across the South East and South West of England.

In future years, Groundwork South will continue to operate as an independent Trust, and will benefit from both Trusts working together through executive, finance and support services functions. Groundwork South, does not currently deliver all 'Groundwork services' across its area, in future, highly specialised services will be provided with leadership from Groundwork London whilst delivery will continue to be embedded in local areas; and delivered by the Groundwork South team.

Groundwork South has produced its own annual accounts for 2021/22. Their annual report and accounts demonstrate the considerable contribution the Trust is making to Changing Places and Changing lives in the South East and South West of England.

## Financial Review

Groundwork London has determined to voluntarily provide a Statement of Financial Activity for 2021/22, as well as the required consolidated accounts for Groundwork London and Groundwork South (as its wholly owned subsidiary) for the same period.

The consolidated statement of financial activities for Groundwork London and for Groundwork South for the year ended 31st March 2022 shows a total income of £28.172m. The consolidated balance sheet shows total Funds of £11.852m of which £3.672m is designated and restricted reserves.

Groundwork London's subsidiary, Groundwork South, has a deficit at 31 March 2022 of £283,779. Groundwork South made financial losses in the years in and prior to 2018/19. Following a restructure of governance and management in 2018, GWS is now operating at a surplus with £191,906 confirmed in the statutory accounts for the year ending 2021/22 and previously £79,537 in 2019/20 and £8,952 in 2020/21. This has reduced the balance sheet deficit to £283,779 at 31<sup>st</sup> March 2022.

GWS is committed to retaining surpluses until GWS has 180 days of unrestricted reserves which we estimate will take 2 years. As explained in the Trustee Report, by virtue of the loans from GWL, GWS continues to operate as a going concern.

The remainder of this Strategic report focuses on Groundwork London.

## Related Party Transactions

The Trust is supported by Groundwork UK and the national Federation of Groundwork Trusts and has strong links and collaborative working arrangements with other Trusts within the Federation. Each Trust is an independent charity, but they all share a similar ethos. Each Trust is responsible for its own management and administration, and for developing and delivering projects, that meet its objectives and core purposes.

The SORP determines that a charity is not necessarily related to another charity simply because a particular person happens to be a trustee of both. It will only be related if one charity subordinates its interests to the other charity in any transaction because of this relationship. The Federation of Groundwork Trusts and other Groundwork Trusts are therefore not considered to be related parties under the definition of the SORP and the grants made by the Federation to individual Trusts do not require separate disclosure.

# Strategic Report

Groundwork London's principal focus is on delivering activity to meet the needs of London and Londoners.

## Achievements and Performance

Groundwork was established almost forty years ago at a time of political, social and economic challenge as an experiment to help communities find their own answers to the problems they face. Today we face a myriad of similar, emerging and new challenges where the need for Groundwork services and support is even more critical. 2021/22 saw the COVID-19 pandemic continue and the UK and the world emerge to new ways of life and new ways of working, whilst wrestling with the ongoing impacts and influences which are hard to predict and plan for. It was also the year that we started to better understand and realise the impacts (both positive and negative) of the UK leaving Europe.

In the face of ongoing uncertainty, our staff teams have worked relentlessly to deliver much needed services to communities in need. With London's population at 9 million and with the number of Londoners living in poverty at around 2.5million, these hugely diverse and vulnerable communities have faced the greatest impact of COVID-19. Last year we responded by growing and delivering over 600 projects targeting the most disadvantaged, hardest hit communities and continuing to amending our ways of working in response to COVID-19 and the political, social, economic and ever-increasing environmental challenges.

Our work was delivered in partnership with Local Authorities, Housing Associations, London regional agencies, the private sector and other voluntary organisations. We have progressed positive working relationships within the London Boroughs of Haringey, Camden, Croydon, Barnet, Brent, Islington, Hammersmith & Fulham, Ealing, Hounslow, Wandsworth, Lambeth, Southwark, Lewisham, Newham, Hackney, Waltham Forest, Enfield, the Royal Boroughs of Kensington & Chelsea, Kingston Upon Thames and Greenwich, and the City of Westminster.

We delivered 63 projects involving Housing Association partners last year, reflecting the needs of residents supported by Housing Associations. Our plans to continue building new and strengthening existing relationships with corporate partners, largely through the employee volunteering route, have continued to be significantly affected by COVID-19 and have been slow to return as we maintained engagement with around 50 corporates. The outlook moving into the new corporate volunteering 'season' do show signs of a promising return to where things stopped so dramatically with COVID-19 lockdowns.

We continued to build on productive relationships with regional bodies and in particular the Greater London Authority (GLA), delivering 46 programmes involving regional agencies. As part of our strategic work, we continued to serve on the Cross River Partnership Board, the All London Green Grid Steering Group and our Community Interest Company – *Our ParkLife* with Equans, Renaisi and Idverde.

Internally, we delivered a number of business performance and improvement measures. We retained our environmental management standard ISO14001 which we have held since 2008; and maintained our Health & Safety standard CHAS; and Achilles which covers Quality, Health & Safety, Environment and Corporate Social Responsibility. We also progressed from Disability Committed to Disability Confident in our recruitment practises. We retained our Matrix accreditation in recognition of the advice and guidance we offer our trainees and volunteers; and we have maintained our Volunteer Centre accreditation and Investors in Volunteering accreditation.

Due to the continuance of COVID-19, varying restrictions stayed in place throughout most of the year. The Trust continued to adapt our delivery methods to ensure we operated within the government guidance and continued service. The majority of staff continued to work from home. From January onwards, our offices were temporarily reconfigured to meet regulations, a new desk booking system was put in place, and office based staff commenced a phased return. Throughout the year, in response to remote working, we maintained formal and informal online meetings to enable us to communicate about projects and as a forum to listen to and understand our team and individual colleague's needs.

We have maintained our wellbeing notice board featuring resources such as the Groundwork Employee Assistant Programme with helplines, counselling, online resources and staff have contributed articles and photos about their work and interests to our regular staff newsletter.



We now have over 50 staff trained as Mental Health First Aiders to support our beneficiaries and have an established mental health first aid network to support both our staff and volunteers. We have also continue to offer mental health awareness training to many senior managers and other staff across the Trust.

In 2020 we agreed our new Groundwork London 2025 strategy through Trust wide engagement seeking the input, views and ideas from Trustees and our colleagues across the organisation. The strategy underpins our annual Business Planning and is reflected in the future plans section of this report.

It also led to the establishment of Task and Finish groups, focussing on 'Recruitment, Training & Development and Induction', this year we have embedded recommendations and actions – changing processes, communications and practices for the benefit of the whole trust. With the thread of equity, diversity and inclusion running through the task group thinking, the training & development recommendations are now being taken forward by the new Learning and Development Manager in 2022/23.

As we review our EDI staff and trustee survey undertaken in 2021/22 we expect to learn more about the progress we are making and to identify where we need to do more.

From a financial perspective 2021/22 continued to be challenging as our staff teams re-established and embedded new working models and practices into our everyday delivery. We also continued to renegotiate our contracts and output requirements with various funders, this was an ongoing process throughout the year as COVID-19 restrictions changed and changed again. We continued to operate our financial management on the basis of full cost recovery achieving our target staff utilisation rate of 84% and maintaining total indirect staff and overheads at 7% of total income.

We continued to make the most of revenues from property rental income and applying these valuable resources to new programme innovation and development.

We have delivered an incredible range of work during the year despite all the challenges of the pandemic, our achievements described below are a result of exceptional time and effort of our colleagues across the Trust adapting to new ways of working, being innovative and determined to continue to support individuals and communities in need.

**Improving people's prospects** – *delivering support to increase the confidence, skills, well-being and employability of those furthest removed from the labour market, in particular young people.*

We believe that supporting people into long-term, sustainable work brings them the economic and social stability that can be life changing for individuals and is an important factor contributing to strong and thriving communities. This is why we deliver an extensive portfolio of employment and skills programmes in London. Through these programmes we help hundreds of Londoners every year to grow in confidence, gain new skills and take that step into work. We work with young people, people with disabilities or health conditions, refugees, and many other Londoners who are facing barriers to employment.

In partnership with our private and public sector employers we deliver training and pre-employment programmes designed to increase the confidence, skills and overall employability of Londoner facing the greatest barriers to employment.

COVID-19 and the resulting social restrictions continued to have a significant impact on our employment programmes. Engagement with new clients proved difficult without face to face contact and the majority of our funders adjusted our targets to accept this. The volume of job vacancies for our existing clients grew sharply throughout the year as the economy reopened; this led to strong performance in achieving job entry targets.

The consistent re-opening of schools enabled us to significantly grow our support for young people at risk of underachieving or leaving school early, at time when it was needed most. It had been hoped that by Summer 2021 our National Citizen Service would have returned to delivering residential experiences for young people. Though this was not possible, we did deliver the majority of the programme as face-to-face day provision which proved a great step forward from 2020's online delivery.

In 2021, we were able to re-establish face-to-face delivery in the Nest, our Southwark based mental health & wellbeing service. In response to need, throughout the year we grew the service to include a school based programme and a parental support programme for those with children under 11.

We continued to focus on jobs in the green economy. Later in 2021, we secured contracts from the GLA to boost growth in London's Green Sector and launch a Green Space Skills Academy that will: support employers to increase the skills of their workforce; support colleges to adapt provision; and provide more support for unemployed Londoners' to access vacancies. We continued delivery of our Green team and completed a programme of greening over 25 railway stations for Govia.

Capacity increased within Rework, our domestic appliance repair workshop, as our charity retail partners reopened their stores. Westminster Wheels, our training and bike refurbishment project with Westminster City Council and Cycle Confident, which opened its doors the previous year, launched its bike servicing to the general public, helping increase income to aid future sustainability.

Now that our Volunteering offer has resumed following the nationwide lockdown, our Volunteering Services in Royal Borough of Kingston, LB Barnet, and Waltham Forest have become more embedded in the community and continued to be interlinked with the NHS, councils and charities who, as they also recovered, provided services to communities and individuals who needed essential support. During the COVID response we supported over 7,300 volunteers who provided more than 36,600 hours of volunteering including frontline support for the shielding, community testing, food distribution, and the vaccine roll out. We also set up new services such as the Barnet Health Champions, a network over 250 local people sharing COVID health messaging to those most affected by the virus.

Building on more than a decade of experience delivering successful integration programmes for refugees and migrants, in the last year our diverse workforce delivered bespoke support for high-need groups from Afghan, Hong Kong, and Ukrainian communities. Our caseworkers are working closely with families to provide integration across health, education and training, social and housing. Our work guides refugees towards independence and stability helping to build solid social connections and smoothly transition into UK life.

**Promoting greener living & working** – *helping people and businesses learn more (about their environmental impact and act responsibly to reduce natural resource use and improve their health.*

Fuel poverty continues to affect London's most vulnerable residents, with some GLA modelling showing that it could potentially impact as many as 24% of London households. It is families with young children, the elderly and those with existing health conditions that suffer the most acute effects of this through mental stress, poor health and wellbeing.

Our home energy advisors - *Green Doctors* have continued to respond to the needs of the most vulnerable providing both face visits, online information and phone based 'virtual visit'. We provided over 2200 visits across London last year, to those in fuel debt helping people to reduce their energy bills, improve their health and wellbeing and save energy. We continue to respond to external challenges post Covid developing our service to provide additional support to funders and residents, helping tackle the cost of living crisis, offering practical behaviour change advice, benefit checks and fuel vouchers, alongside installing energy saving measures.

London's water supplies continue to be stretched further and further each day as the capital's population continues to grow. By 2050, if we keep using water as we are today, we will need an extra 250 million litres a day. One of the solutions is for Londoners to use, and waste, less water. Our COVID-19 initiated virtual visits with reduced scope for water saving were discontinued, in favour of tried and tested in-home visits with customers happy to allow us to engage with them directly in their homes. During 2021/22 we delivered water efficiency visits to 25,000 residential properties, targeting high water users.

Our 'Smarter Business Visit' programme, delivering at full capacity again post-COVID-19, achieved its target of 12ML per day water savings (double that achieved in 2020/21), largely through focusing extensively on schools during their period of closure. We also worked with Groundwork South to continue delivery of our pilot with South East Surrey Water, again focusing of schools in their service area, and began conversations with South East Water to deliver a small domestic water efficiency trial.

Our community reuse hubs, The Loops, which we set up in 2015 on the Pembury Estate and Grahame Park Estate, as part of the EU LIFE funded REPURPOSE programme continue to provide essential services for local communities. Again our services collecting unwanted furniture and household appliances from residents' homes which are repaired, and sold on to residents at low cost, have resumed. The Loop @ Grahame Park continues to be a community hub, supporting and engaging its volunteers, providing workshops and training on themes such as repair and crafts. All the money raised from sales is reinvested into the project, to buy workshop equipment, and to provide more local events and free training.

Our REUSE activity resulted in diverting over 430 tonnes of waste from landfill, which contributed to an overall saving of over 7,440 tonnes of CO<sub>2</sub> emissions across all our activities.

Our health focussed work continues to grow on the frontline with a team of 12 social prescribing link workers providing support to patients within GP practice across the London Borough of Hounslow

**Creating better places** – *supporting people to work collectively to make their surroundings greener, safer and healthier and be actively involved in the way decisions are made about services in their area.*

Our work with communities has continued to provide support to those most in need throughout the year, supporting over 3260 community groups against our original target of 2000. This arose mainly due to our COVID-19 response work with Local Authorities and voluntary organisations as well as the Tesco Enablers programme and Grants programmes that set out to support communities during the pandemic. Nearly 400 projects in London were awarded close to £1m of Tesco's Bags of Help community grants with funds targeted on children & young people as well as food security projects.

The portfolio of environmental and community grant schemes we manage on behalf of our national and regional partners, supported 930 projects throughout London, awarding over £12m to a wide range of groups. These community groups and organisations used the grants to transform forgotten places, support and engage with the regeneration the Royal Docks in East London, increase access to employment training, cycling and walking, nature and culture, and to reduce social isolation, tackle hate crime & violent extremism, as well as realising hundreds of life changing projects across the capital. For many grantees this new funding came at a critical time in light of the challenging years from COVID-19 delivery restrictions.

Last year we worked with communities and funded community groups across London to make improvements to over 18 hectares of public open spaces, including public parks, playgrounds, housing estates, community gardens, hospital grounds, nature reserves, and many more of London's valuable public open spaces.

Building on our successful Housing Estates Improvement Programmes (HEIP) which works with communities to upgrade open spaces and public realm, we have delivered a new programme on 5 housing estates for LB Hounslow.

We have continued to deliver a significant programme of estate-wide sustainable drainage retrofit on the White City Estate, enhancing our reputation as a leading deliverer of SUDS retrofit in the capital. This led to the success of our application to the Green and Resilient City Fund in partnership with London Borough Hillingdon. We have begun a 2 year programme 'Green Blue You' aiming to reduce flood risk and alleviate pollution to water courses, improving and creating habitats including woodland, meadows and rivers. The project will work with residents to create greener and more biodiverse estates and provide local young people and residents with opportunities to learn new green skills through volunteering and training.

Our work delivering the EU Horizon 2020 CLEVER Cities Programme is now approaching its final year. Working with London partners GLA, Peabody and Social Finance, the Groundwork Clever Cities team leads on the co-creation programme of the Making Space for Nature which builds relationships with local stakeholders and provides opportunities for people in Thamesmead to participate in the development of greener and more socially cohesive open space and to celebrate and improve the abundance of natural resources. During the last year the focus has been creating a toolkit for co-creation and the managing a micro grants programme for local residents to transform their neighbourhood.

# Groundwork London Financial Review

Groundwork London has determined to voluntarily provide a Statement of Financial Activity for Groundwork London 2021/22 as well as the required consolidated accounts for Groundwork London and Groundwork South (as its wholly owned subsidiary) for the same period. The financial review of the group is described earlier in this report.

Groundwork London shows income achieved in the year of £23,010,923 with expenditure of £22,805,097.

## Principal Funding Sources

Funding for Groundwork London was provided by the following sources:

	£
Local Authorities	2,835,317
Public and Regional Agencies	10,906,109
European Union	2,184,441
Private Sector	6,149,601
National Lottery	935,455
	<u>23,010,923</u>

## Reserves Policy

The Board of Trustees has agreed a long term aim of holding unrestricted, free reserves equivalent to six months' (180 days) running costs. The Board believes this is a prudent level of reserves for a Charity based in Central London and is in line with other Groundwork Trusts.

The Board has agreed that a reasonable level of reserves is required to:

- absorb short term setbacks such as loss or delays in funding
- finance working capital needs and fund time delays between the expenditure and receipt of funds
- set aside funds for appropriate capital assets such as IT equipment and securing and developing suitable premises

The Board monitor unrestricted reserves on a quarterly basis and the Reserves Policy is reviewed on an annual basis to assess the needs of the organisation.

At the year-end unrestricted reserves shown in the balance sheet covered 155 days (2021: 173 days) running costs. The reserves days includes the consolidation of Groundwork South's accounts into the Groundwork London accounts.

## Future Plans 2022/23

In line with our new strategy: Groundwork 2025, our ambition is continue to be a significant force for changing places and changing lives across London. During 2022/23 Groundwork London will work to the following strategic objectives:

### 1. Creating and delivering services to meet the needs of London and Londoners.

Delivering high quality, innovative actions with multiple economic, social and environmental benefits will be central to all that we do. Our priorities are:

**Improving people's prospects** – delivering support to increase the confidence, skills, wellbeing and employability of young people & adults.

**Creating better places** – supporting people to work collectively to make their surroundings greener, more resilient, safer and healthier; and be actively involved in the way decisions are made about services in their area.

**Promoting greener living and working** – helping people, organisations and businesses learn more about their environmental impact and act responsibly to reduce natural resource use; address food and fuel poverty; and improve health and wellbeing.

### 2. Building productive relationships and partnerships, influence and shape policies and share learning

The success of our work is reliant on building long-term, cross sector alliances to develop collaborative business opportunities and by adding value to local and regional strategic partnerships. We will focus on:

- Developing and expanding our associations with the London Boroughs and the Housing sector
- Exploring and creating new programme activities with the GLA and TfL, London Councils, and the London Strategic Waste Authorities, Health commissioners and providers and academic institutions
- Develop new services for residents and businesses with utilities companies and expanding our work with the corporate sector
- Provide management and Board support to Cross River Partnership, London Community Resource Network and Our Park Life
- Working with the voluntary sector and other community support organisations
- Working with the members of the Groundwork Federation on business development, peer support and the future development of the Federation

### 3. Maintaining a strong, viable business, achieving excellence in service delivery

We will continue to innovate, evolve and grow as an organisation building on our experience, our successes and learning including the positive experiences emerging through COVID-19 delivery. We will continue to improve how we plan, deliver and measure the impact of our programmes, whilst enhancing our organisational capabilities, internal systems and operations ensuring that we are:

- Fostering a culture of equity and inclusion
- Enabling collaboration
- Driving innovation
- Demonstrating and promoting the value and benefit of our services
- Focusing on those in most need
- Continuing to invest in our competencies, professionalism and specialist skills
- Diversifying our funding
- Better understanding the climate impact of our programmes

As we continue to evolve and grow as an organisation we build on our experiences, successes, and learning. We are committed to fostering a culture of equity and inclusion and support participative and integrated working across all staff teams. As we review our EDI staff and trustee survey undertaken in 2021/22 we expect to learn more about the progress we are making and to identify where we need to do more.

We view promoting equality in the workplace as an ongoing endeavour; we aim to ensure our approach and processes continue to be aware and responsive to continuous improvement.

We will also ensure that Groundwork activity is sustained and developed across the South of England through our wholly owned subsidiary Groundwork South. We will do this via financial support in the form of loans and through leadership and management of defined specialist activities. Groundwork South will present its own business plan focused on the communities in South East & South West England.

### **We will deliver:**

**Community spaces:** Enabling community led environmental improvements to publicly accessible open spaces. We will:

- Inspire, mobilise and support people to take a more active role in improving and managing the local spaces that matter to them
- Focus activity in neighbourhoods where there is more limited access to high quality open space
- Work creatively with councils and other partners to maximise the social, economic and environmental benefits of green spaces

**Green infrastructure:** Providing technical expertise in sustainable land management and climate change adaptation. We will:

- Provide technical expertise, including sustainable urban landscape design and Geographic Information Systems mapping intelligence
- Create spaces that are resilient to the changing climate, and that meet the needs of local communities for sport, play and recreation and enhance London's nature and heritage
- Develop understanding and expertise around carbon sequestration from our green space projects

### **Health & Wellbeing**

Encouraging physical activity, promoting healthy eating and addressing environmental causes of health problems. We will:

- Encourage and enable people to improve their health and well-being through physical and sporting activity, or the participation in social prescribing initiatives
- Help people improve their mental health through specialist support, well-being coaching and signposting
- Address food poverty by supporting food distribution, promoting community food growing and healthy eating initiatives
- Focus on improving, and helping Londoners adapt to, major environmental issues that contribute to poor health such as poor air quality or extreme weather events

### **Social integration**

Using a community participation approach to create stronger, more cohesive communities, to improve the quality of life and opportunity. We will:

- Tackle the social, physical and practical barriers to inclusion, including knowledge and skills, perceptions and confidence, and access issues such as digital exclusion
- Help socially isolated individuals through activities such as 1-2-1 support and creative group workshops
- Support the integration of marginalised groups, including refugees, migrants and older people, through peer support, connection to local services and building social networks

**Volunteering:** Brokering volunteering opportunities for individuals and organisations. We will:

- Inspire and support volunteers of all ages, finding them the right opportunities, ensuring they get the best possible experience and fulfil the goals that motivated them to volunteer.
- Support organisations to identify volunteering opportunities, and maximise the impact of their volunteers' time and skill.

**Employment and Skills:** Providing personal advice and guidance, training, work experience and job brokerage. We will:

- Help the most disadvantaged people improve their skills and move from welfare into sustainable employment by: personal advice and guidance; realistic work placements and trials; addressing barriers to work and linking the right people with the right jobs
- Deliver accredited training, certifying the skills that people have gained from working with us, and enabling them to gain employment and progress into further training

**Youth work:** Providing coaching and positive activities for young people to develop their life skills and fulfil their potential. We will:

- Run clubs and activities for young people that enable them to develop life skills and engage in rewarding work in their local community
- Work to improve the attitude, attainment, aspirations and wellbeing of young people, coaching them to make the most of their education opportunities, explore meaningful career paths and make positive life choices
- Facilitate youth social action opportunities for young Londoners
- Support the mental health and wellbeing of young people

**Green Jobs:** Providing practical work experience and training for sustainable employment. We will:

- Provide opportunities for those out of work to gain confidence and skills and find jobs through working on practical schemes to improve local environments, enhancing valuable open space facilities and preparing our neighbourhoods for the impacts of climate change
- Develop, create and actively promote opportunities for new 'green' job roles within Groundwork's work programmes covering areas such as reuse, water and energy efficiency
- Work closely with the London agencies driving the move to low carbon and green recovery, ensuring that those most disadvantaged from the labour market can benefit from the jobs created

**Resource efficiency:** Reducing waste, energy and water consumption through advice and action. We will:

- Help more people, particularly vulnerable residents, to reap the benefits from more efficient consumption of resources, changing behaviours and improving homes in order to reduce energy and water consumption and reducing utility bills
- Support public, private and voluntary sector organisations to meet carbon and water reduction targets, wider environmental management aspirations and social responsibility targets
- Contribute to London's circular economy by increasing and promoting recycling and reuse, in particular domestic furniture, white goods and bicycles

**Climate Change:** Ensuring our programmes and the support we provide to others mitigate the causes and negative effects of climate change. We will:

- Increase Londoners' awareness and understanding of climate change and support them to minimise the causes and effects of climate change
- Develop a Groundwork London carbon offset programme to fund carbon reduction activity
- Actively support and promote greener travel opportunities in the capital

**Innovation and development:** Investing in new ideas and development to meet London's changing needs. We will:

- Invest in ideas and new ways of doing things in consultation with our key partners, clients and funders to address the challenges facing London and Londoners

## Principal Risks and Uncertainties

The Board accepts its responsibility under the Charity Commission's Statement of Recommended Practice (SORP) for ensuring the major risks to which the charity is exposed are identified and reviewed and that there are systems in place to mitigate against them.

The Trust undertakes an annual review of risk, the principle risks identified during the business planning process for the forthcoming year are:

- Failure to deliver targets in 'payment by results' contracts
- Ongoing impact of COVID-19 on programme delivery staff and beneficiaries
- Failure to secure funding for the projected operations plans
- Inability of the organisation to meet its utilisation targets or chargeable rates
- Poor performance and partner dissatisfaction with the quality of delivery
- Loss of large contracts

Strategic planning is central to our business management, common features that will help us address these risks are:

- Following and adjusting to government guidelines, reviewing and communicating measures in response to changes
- Undertaking regular reviews of all contracts to ensure ongoing service delivery
- Implementing adjustments to ensure agreed outputs and outcomes are met, empowering our staff to develop new, creative and effective ways of working
- Reviewing and amending our business operations, including a focus on ICT as being essential to adapting our delivery and working arrangements
- Implementing changes to our structure and operations as required to ensure the Charity can continue to deliver its charitable objectives
- Expanding our offer to existing and new partnerships with local authorities, housing associations and the private sector
- Investing in specialist skills to drive up quality across all our services
- Prioritising and consolidating development, marketing and communications to grow our visibility and broaden our access to new income sources
- Investing in our competencies and professionalism to meet the demands of commissioning, audit and evaluation
- Maintaining fundraising capacity and build stronger relationships with our key charitable trusts, foundations and lottery funders
- Continued emphasis on demonstrating the value and benefits of Groundwork's services
- Monitoring delivery and financial performance
- Preparing actions plans to mobilise change processes arising from changes or loss of major contracts
- Providing training and support to improve project and performance management and client focus skills to ensure projects are delivering required outcomes, on time and to budget
- Engaging with Groundwork South and the Federation to provide support to business management and development and specialist delivery services

Financial management of projects is controlled using PIMS (Project Information Management System). The Trust has strong skills within the staff teams in its effective use. Expenditure is only made on projects once income has been secured. The amount of secured and unsecured income and the expenditure and revenue on all projects is analysed on a monthly basis. Detailed management information is imported from the system to provide up to date financial and operational performance against targets.



The Executive Team reviews income and contribution secured against business plan, team capacity and project performance together with other business information. These are also reported to the staff teams at monthly Operations and Development meetings and on a quarterly basis to the Board, to focus Trust attention on achieving Business Plan targets.

In addition to reviewing the risk register, quarterly reports to the Board monitor income & expenditure and progress towards financial targets. Detailed management accounts are examined at each meeting. The Trust submits these accounts to Groundwork Federation on a quarterly basis and is monitored on security of income and financial stability.

### **Financial Instruments**

Groundwork London's financial risk management objective is broadly to seek not to make losses from exposure to any interest rate or currency fluctuations. In the year 2021/22 we have had no exposure to these fluctuations. Our policy has been to finance fixed assets through retained reserves. Other than bank charges, no interest is payable on our bank accounts.

## Reference and Administrative Details

**Registered Company number**  
04212532 (England and Wales)

**Registered Charity number**  
1121105

**Registered office of the company and principal office of the charity**  
18-21 Morley Street, London, SE1 7QZ

### Our advisers

Auditors	Hartley Fowler	4 <sup>th</sup> Floor, Tuition House, 27/37 St George's Road, London, SW19 4EU
Bankers	Lloyds	Blackheath Branch, PO Box 1000, BX1 1LT
Solicitors	Bates, Wells & Braithwaite	61 Charterhouse Street, London EC1M 6HA

### Key management personnel: Directors and Trustees

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

<b>Co-opted</b>	Alan Smith (Chair 1/4/14)	appointed	20/02/2012
	Graham Beal	appointed	10/03/2014
	Dan Davidson	appointed	08/05/2014
	Phil Stokes	appointed	17/07/2014
	Keith Taylor	appointed	20/03/2017
	Sophie Taysom	appointed	20/04/2020
	Bradley Pritchard	appointed	28/09/2020
	Lanre Bello	appointed	28/09/2020
	Sadaf Rasheed	appointed	28/09/2020
	Tom Leake	appointed	28/09/2020

<b>Groundwork UK nominee</b>	Marilyn Baxter	appointed	20/03/2017
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<b>Local Authority nominee</b>	Susan Wise	appointed	01/06/2015
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<b>Company Secretary</b>	Stuart Harrison
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### Key management personnel: Senior Managers

Executive Director	Lindy Kelly
Director, Finance & Corporate Services	Stuart Harrison
Director, Communities & Environmental Services	Ben Coles
Director, Youth, Employment & Skills	Graham Parry

# Structure, Governance and Management

## Structure

Groundwork London is a registered charity and company limited by guarantee and is governed by its Articles of Association. Groundwork London was registered as a limited company on 8<sup>th</sup> May 2001 under the name Groundwork London Partnership and changed its name by Special Resolution to Groundwork London on 10<sup>th</sup> September 2007. On 1<sup>st</sup> November 2007 Groundwork London merged with Groundwork Southwark & Lambeth, Groundwork South East London and Groundwork Merton. On 1<sup>st</sup> April 2008 Groundwork London merged with Groundwork West London and incorporated the London activities of Groundwork Federation (non-legal incorporation). Groundwork North and Groundwork East London transferred as mergers on 1<sup>st</sup> April 2009.

Groundwork London is a member of the Federation of Groundwork Trusts in England, Wales and Northern Ireland, each working with partners to improve the quality of the local environment, the lives of local people and the success of local businesses in areas in need of investment and support. The Federation Membership Agreement is a bilateral agreement jointly signed by both the Trust and the Federation, setting out the obligations, defining the minimum quality and ethical standards, setting out the core values and defining the circumstances and procedures whereby Trusts may be required to leave the Federation.

Groundwork London became the sole company member of The Groundwork South Trust Ltd on the 14<sup>th</sup> March 2017. Groundwork South continues to operate as an independent company with its own Board.

### The Members of Groundwork London

The company members are the Federation of Groundwork Trusts, Dan Davidson, Eugenie White, Alan Smith, Cate Newnes-Smith and Susan Wise.

## Governance

As Groundwork London has evolved so has our Governance ensuring that it is both relevant and effective as well as being resilient to future changes in our operating environment.

### Board of Trustees

The Governing body of the Trust is the Board of Trustees. The Board is responsible for major strategic decisions and has ultimate responsibility for the conduct and financial viability of the organisation, it meets formally four times a year. The Board comprises of not more than 15 Directors of whom not more than 6 are either nominated or appointed and 9 co-opted Trustees:

- Up to 4 appointed Local Authority members elected from the Local Authority Strategic Input Board
- 2 Groundwork Federation nominees
- 9 co-opted members

Trustees generally serve in terms of between 12 months and 3 years and can be reappointed by the Board. The Board has an agreed strategy to enable Board succession to occur on a rolling basis.

### Committees

The Board has established a number of committees:

- Finance & Audit Committee is responsible for reviewing the overall status of financial and investment resources and for making appropriate recommendations to the Board. It meets four times a year.
- The Executive Recruitment & Remuneration Committee assists the Board in the appointment of the Executive Director and to support the Executive Director in the appointment of Directors and to consider and approve their remuneration. The Remuneration Committee meets once per year.
- Local Authority Members Board enables Local Authorities to shape the strategic direction of Groundwork within London boroughs, to keep their LA's informed about the breadth of Groundwork London's expertise and appoint, via an electoral process, members to the Groundwork London Board. Due to COVID-19 plans to review and rejuvenate the Local Authority Members Board was put on hold. A review of the LAM Board will be undertaken in 2023.

### Induction & Training

New members of the Board of Trustees are provided with the Groundwork London Governance handbook and other key documents and have an induction meeting with the Executive Director. The induction includes an overview of the objects of Groundwork London and its Vision and Mission, the structure, its staff and volunteers and finance. Trustees are also encouraged and supported in visiting projects.

### Community Interest Company – *Our Parklife*

Our Parklife was formally constituted in September 2014 by company members; Equans (previously known as Engie prior to name change); Groundwork London; Renaisi and Idverde (previously known as The Landscape Group prior to acquisition). Equans appoint two members to the Board and all other members appoint one Director. Groundwork London's has appointed two Directors who alternate, they are Graham Parry (Director, Youth, Employment & Skills) & Ben Coles (Director, Development & Strategic Programmes).

The objects of the Company are to carry on activities which benefit the community and in particular (without limitation) to promote the social, economic and environmental well-being of residents in the boroughs immediately surrounding the Queen Elizabeth Olympic Park in Stratford by providing opportunities in the Park:

- for employment and training; improving skills and knowledge; and encouraging entrepreneurship, innovation and business skills;
- within the operations of the Members across London for employment and training and improving skills and knowledge;
- for new and existing residents to meet and mix to promote cohesion and inclusion; and
- for local people to volunteer, to learn about environmental sustainability and to undertake initiatives in their own neighbourhoods and provide educational opportunities for schools and young people.

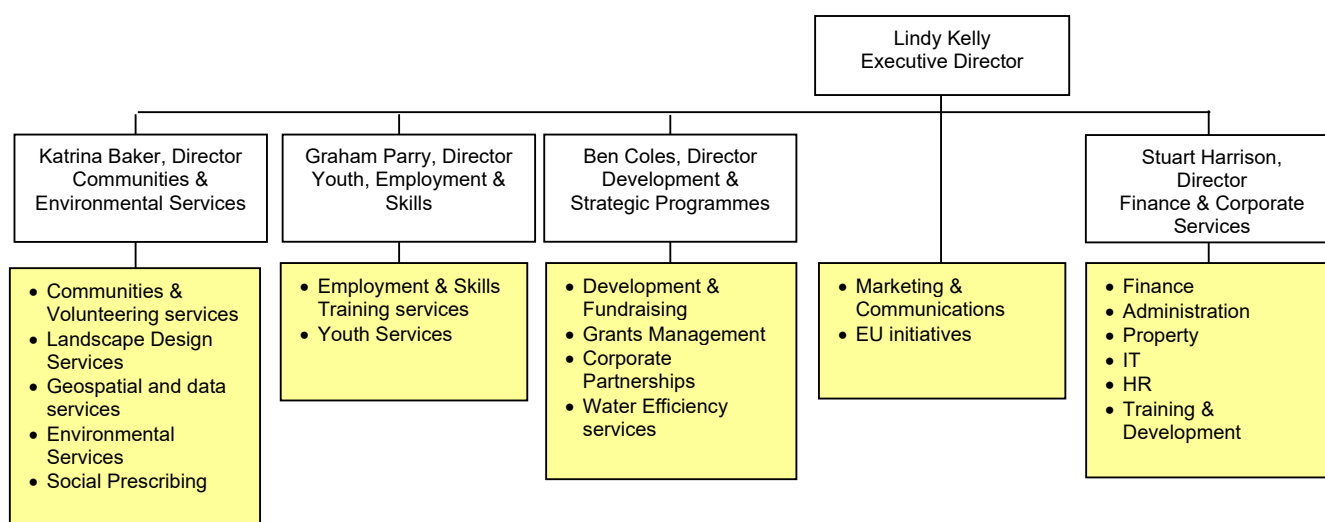
## Management

The Board delegates day-to-day financial and managerial control of the organisation to the Executive Director. The Executive Director, together with the Executive Team, meets monthly to discuss the operational and financial status of the Trust.

Groundwork London's professional team continues to evolve in response to changes to our organisational structure and changes to the scale of the activities across each of our thematic areas and the needs of our business operational requirements. The framework within which our teams are organised are guided by the following principles:

- We must remain embedded in the local community, with local delivery at the core of what we do
- We must be able to operate a seamless, consistent and high quality delivery service across London
- We need to be a credible local and regional partner able to operate at a strategic level
- We must be a strong and viable organisation

Projects and programmes continue to be delivered by local teams, with management organised through area management structures and specialist service. At the end of the 2021/22 we had 325 FTE employees.



# Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of Groundwork London 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 charity 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;
- 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 proper 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.


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

## Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees

  
.....  
Trustee

Date: 26<sup>th</sup> September 2022

# Independent Auditor's Report to the members of Groundwork London

## Opinion

We have audited the financial statements of Groundwork London (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 group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 the parent charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, including the strategic 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.

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

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

- the information given in the trustees' annual report, including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the trustees' annual report, including the strategic report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic 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 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 trustees' responsibilities statement set out in the trustees' annual report, 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 group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.



## Independent Auditor's Report to the members of Groundwork London (continued)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and the charities activities;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in. The key laws and regulations we considered in this context included the Charities Act 2011, UK Companies Act and tax legislation.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

As a result of performing the above, we did not identify any key matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provision of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing minutes of meetings of those charged with governance, reviewing internal reports, and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale for any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

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

**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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Askew, FCA (Senior statutory auditor)

for and on behalf of Hartley Fowler LLP

Statutory Auditor

Chartered Accountants

Fourth Floor, Tuition House

27/37 St George's Road

London

SW19 4EU

## Groundwork London

(A company limited by guarantee)

Registered Number: 04212532

### Consolidated Statement of Financial Activities for the year ended 31st March 2022, incorporating the Income and Expenditure account

		Unrestricted Funds	Restricted Funds	31.3.22 Total Funds	31.3.21 Total Funds
	Notes	£	£	£	£
<b>INCOME</b>					
Investment income	3	425,124	-	425,124	348,195
Income from charitable activities	4	12,963,517	14,784,267	27,747,784	20,612,654
<b>Total Income</b>		<u>13,388,641</u>	<u>14,784,267</u>	<u>28,172,908</u>	<u>20,960,849</u>
<b>EXPENDITURE</b>					
Cost of raising funds	5	290,662	-	290,662	246,565
Charitable activities	6	12,787,930	14,696,584	27,484,514	20,624,756
<b>Total expenditure</b>		<u>13,078,592</u>	<u>14,696,584</u>	<u>27,775,176</u>	<u>20,871,321</u>
<b>Net income before gains/ (losses) on investments</b>		310,049	87,683	397,732	89,528
Net (losses)/ gains on investment properties	14	-	(19,717)	(19,717)	795,283
Net gains / (losses) on cash investments	18	305,939	-	305,939	341,196
<b>Net income</b>		<u>615,988</u>	<u>67,966</u>	<u>683,954</u>	<u>1,226,007</u>
Transfers between funds	23	92,683	(92,683)	-	-
<b>Net movement in funds</b>		<u>708,671</u>	<u>(24,717)</u>	<u>683,954</u>	<u>1,226,007</u>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>9,606,192</u>	<u>1,562,046</u>	<u>11,168,238</u>	<u>9,942,231</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	23	<u>10,314,863</u>	<u>1,537,329</u>	<u>11,852,192</u>	<u>11,168,238</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.  
All incoming resources and resources expended derive from continuing activities.

The notes on pages 33 to 53 form part of these financial statements.

## Groundwork London

(A company limited by guarantee)

Registered Number: 04212532

### Charity Statement of Financial Activities for the year ended 31st March 2022, incorporating the Income and Expenditure account

		Unrestricted Funds £	Restricted Funds £	31.3.22 Total Funds £	31.3.21 Total Funds £
	Notes				
<b>INCOME</b>					
Investment income	3	433,212	-	433,212	353,741
Income from charitable activities	4	10,498,225	12,079,486	22,577,711	16,713,914
<b>Total Income</b>		<b>10,931,437</b>	<b>12,079,486</b>	<b>23,010,923</b>	<b>17,067,655</b>
<b>EXPENDITURE</b>					
Cost of raising funds	5	290,662	-	290,662	246,565
Charitable activities	6	10,431,995	12,082,440	22,514,435	16,740,514
<b>Total expenditure</b>		<b>10,722,657</b>	<b>12,082,440</b>	<b>22,805,097</b>	<b>16,987,079</b>
<b>Net income before gains/ (losses) on investments</b>		<b>208,780</b>	<b>(2,954)</b>	<b>205,826</b>	<b>80,576</b>
Net (losses)/ gains on investment properties	14	-	(19,717)	(19,717)	795,283
Net gains / (losses) on cash investments	18	305,939	-	305,939	341,196
<b>Net income</b>		<b>514,719</b>	<b>(22,671)</b>	<b>492,048</b>	<b>1,217,055</b>
Transfers between funds	23	2,046	(2,046)	-	-
<b>Net movement in funds</b>		<b>516,765</b>	<b>(24,717)</b>	<b>492,048</b>	<b>1,217,055</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		10,081,877	1,562,046	11,643,923	10,426,868
<b>TOTAL FUNDS CARRIED FORWARD</b>	23	<b>10,598,642</b>	<b>1,537,329</b>	<b>12,135,971</b>	<b>11,643,923</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.  
All incoming resources and resources expended derive from continuing activities.

The notes on pages 33 to 53 form part of these financial statements.

# Groundwork London


(A company limited by guarantee)

Registered Number: 04212532

## Consolidated Balance Sheet as at 31st March 2022

		31.3.22	31.3.21
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	12	2,279,510	2,379,520
Intangible assets	13	-	-
Investment properties	14	3,542,330	3,562,047
<b>TOTAL FIXED ASSETS</b>		5,821,840	5,941,567
<b>CURRENT ASSETS</b>			
Debtors	17	6,059,148	5,220,401
Current asset investments	18	3,119,132	2,813,193
Cash at bank		6,150,382	5,547,273
<b>TOTAL CURRENT ASSETS</b>		15,328,662	13,580,868
<b>LIABILITIES</b>			
Creditors falling due within one year	19	(9,298,310)	(8,354,196)
<b>NET CURRENT ASSETS</b>		6,030,352	5,226,671
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		11,852,192	11,168,238
<b>NET ASSETS</b>		11,852,192	11,168,238
<b>THE FUNDS OF THE GROUP</b>	23		
General funds		6,035,370	5,622,638
Designated funds		2,135,361	2,145,361
Fair value reserve		2,144,132	1,838,193
Restricted revaluation fund		1,060,106	1,079,823
Restricted property fund		477,223	482,223
<b>TOTAL GROUP FUNDS</b>		11,852,192	11,168,238

The financial statements were approved by the Board of Trustees on 26<sup>th</sup> September 2022 and were signed on its behalf by:



Alan Smith - Trustee

The notes on pages 33 to 53 form part of these financial statements

# Groundwork London

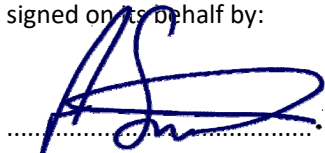
(A company limited by guarantee)

Registered Number: 04212532

## Charity Balance Sheet as at 31st March 2022

	Notes	31.3.22 £	31.3.21 £
<b>FIXED ASSETS</b>			
Tangible assets	12	1,268,959	1,352,638
Investment properties	14	3,542,330	3,562,047
<b>TOTAL FIXED ASSETS</b>		4,811,289	4,914,685
<b>NON CURRENT ASSETS</b>	16	-	15,948
<b>CURRENT ASSETS</b>			
Debtors	17	5,645,833	5,125,693
Current assets investments	18	3,119,132	2,813,193
Cash at bank		5,279,795	5,300,340
<b>TOTAL CURRENT ASSETS</b>		14,044,760	13,239,226
<b>LIABILITIES</b>			
Creditors falling due within one year	19	(6,720,078)	(6,525,936)
<b>NET CURRENT ASSETS</b>		7,324,682	6,713,290
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		12,135,971	11,643,923
<b>NET ASSETS</b>		12,135,971	11,643,923
<b>THE FUNDS OF THE CHARITY</b>	23		
Unrestricted funds		6,319,149	6,098,323
Designated funds		2,135,361	2,145,361
Fair value reserve		2,144,132	1,838,193
Restricted revaluation fund		1,060,106	1,079,823
Restricted property fund		477,223	482,223
<b>TOTAL CHARITY FUNDS</b>		12,135,971	11,643,923

The financial statements were approved by the Board of Trustees on 26<sup>th</sup> September 2022 and were signed on its behalf by:



Alan Smith - Trustee

The notes on pages 33 to 53 form part of these financial statements

## Groundwork London

(A company limited by guarantee)

Registered Number: 04212532

### Consolidated Statement of Cash Flows for the year ended 31st March 2022

	Notes	31.3.22 £	31.3.21 £
<b>Cash flows from operating activities</b>	25	198,717	2,612,698
<b>Cash flow from investing activities</b>			
Investment income received		425,124	353,741
Income from sale of investments		-	270,783
Purchase of fixed assets		(20,932)	(112,762)
<b>Net cash used in investing activities</b>		404,192	511,762
<b>Net Increase/(decrease) in cash and cash equivalents</b>		603,109	3,124,460
Cash and cash equivalents at the beginning of the year		5,547,273	2,422,813
<b>Cash and cash equivalents at the end of the year</b>		6,150,382	5,547,273

The notes on pages 33 to 53 form part of these financial statements

## Groundwork London

(A company limited by guarantee)

Registered Number: 04212532

### Charity Statement of Cash Flows for the year ended 31st March 2022

		31.3.22	31.3.21
	Notes	£	£
<b>Cash flows from operating activities</b>	25	(448,773)	2,215,827
<b>Cash flow from investing activities</b>			
Investment income received		433,212	353,741
Income from sale of investments		-	270,783
Cash inflows from new investments		440,948	-
Cash outflows from new investments		(425,000)	350,000
Purchase of fixed assets		(20,932)	(112,762)
<b>Net cash used in investing activities</b>		428,228	861,762
<b>Net Increase/(decrease) in cash and cash equivalents</b>		(20,545)	3,077,589
Cash and cash equivalents at the beginning of the year		5,300,340	2,222,751
<b>Cash and cash equivalents at the end of the year</b>		<u>5,279,795</u>	<u>5,300,340</u>

The notes on pages 33 to 53 form part of these financial statements



# Groundwork London

(A company limited by guarantee)

Registered Number: 04212532

## Notes to the financial statements for the year ended 31st March 2022

### 1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### a) Basis of preparation and assessment of going concern

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) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Groundwork London 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 note(s).

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. With respect to the next reporting period, 2022-23, the most significant areas of uncertainty are the impacts on Government, Local Authority funding commitments following Brexit and COVID-19.

#### b) Estimates and judgements

The investment property valuations referred to in note 14 are based on the professional opinion of fair value from a qualified chartered surveyor.

#### c) Income

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 income receivable can be measured reliably. Grants receivable, where related to performance are accounted for as the charity earns the right to consideration by its performance. Where income is received in advance, recognition is deferred and included in creditors and where entitlement arises before income is received the income is accrued.

#### d) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

#### e) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs. These costs are allocated to projects based on the ratio of project time incurred.

**f) Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Items over £2,000 are capitalised.

Long leasehold	-over the term of the lease
Buildings	-2% per annum
Fixtures and fittings	-at varying rates on cost
Motor vehicles	-at varying rates on cost
Computer equipment	-at varying rates on cost

**g) Intangible fixed assets**

Amortisation is provided at the following rates:

Software	- 20% straight line
----------	---------------------

**h) Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

**i) Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**j) Taxation and VAT**

The charity is exempt from corporation tax on its charitable activities. The company is registered for VAT and all resources expended are inclusive of irrecoverable VAT. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

**k) Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the note 24 to the financial statements.

**l) Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

**m) Consolidation**

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary, The Groundwork South Trust Ltd, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charitable company has also been presented. The charitable company also has two dormant subsidiaries as set out in the notes to the accounts.

**n) Pensions**

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The company pays fixed contributions, charged to the statement of financial activities in the period to which they relate. The charity contribution is restricted to the contributions disclosed in note 11.

The money purchase plan is managed by AEGON and the plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan.

The Trust has no liability beyond making its contributions and paying across the deductions for the employee's contributions. A similar defined contribution scheme is operated by the subsidiary company, The Groundwork South Trust Ltd.

**o) Debtors**

Trade and other debtors are recognised at the settlement amount due. No discounts are offered. Prepayments are valued at the amount prepaid

**p) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**q) Investment policy**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust aims to have a portfolio of Financial Investments consistent with a "Balanced Portfolio" profile of risk, return, and liquidity, as identified in an externally conducted assessment of attitude to risk of the trustees when investing the Trust's assets. In order to achieve this it will select Investment Managers which are able to make informed and timely asset allocation decisions consistent with the objectives of this Investment Policy and which may include Government and Corporate Bonds (UK and Overseas), UK and overseas Equities, Property, Gold and other commodities (excluding coal) and cash.

The Trust aims to utilise returns from financial investments for its day to day operations.

The Trust wishes to keep at least 40% of total assets in investments which can be realised within three months.

A minimum of 10% of total assets should be capable of being liquidated within 7 working days.

The Trust will not invest directly in any organisation whose main business activity is:

- The production of tobacco or narcotics
- The production of pornographic material
- The manufacture of weapons of war
- Encouraging or enabling gambling
- Providing Home Credit (Doorstep Lending)
- Using child labour or other exploitative employment practices

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

**r) 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 available.

**s) Government Grants**

Government grants are recognised when the entity has reasonable assurance that conditions attached to the grant will be complied with and that the grant will be received.

Revenue grants are recognised using the accrual model and are therefore recognised as income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. Revenue grants are measured at fair value, being the amount of cash receivable.

## 2. LEGAL STATUS

Groundwork London is a company limited by guarantee and has no share capital. The registered office and principal place of business is 18-21 Morley Street, London, SE1 7QZ. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

## 3. INVESTMENT INCOME

	<b>Charity</b>	
	<b>31.3.22</b>	<b>31.3.21</b>
	<b>£</b>	<b>£</b>
Rents received	325,167	258,993
Bank and investment interest	108,045	94,748
	<u>433,212</u>	<u>353,741</u>

	<b>Group</b>	
	<b>31.3.22</b>	<b>31.3.21</b>
	<b>£</b>	<b>£</b>
Rents received	325,167	258,993
Bank and investment interest	99,957	89,202
	<u>425,124</u>	<u>348,195</u>

Investment income includes income received for the leasing out of business units at Artichoke Mews, a public house adjacent to Denmark Hill railway station, income received for leasing out space at Morley Street and Lower Clapton Road, deposit interest received, income from Trust current investments and interest on loans from group undertakings.

## 4. INCOME FROM CHARITABLE ACTIVITIES

	<b>Charity</b>			
<b>Income was received for:</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>31.3.22</b>	<b>31.3.21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Communities and Environmental Service	5,102,397	1,772,103	6,874,500	6,025,524
Landscape Design Services	1,761,332	71,682	1,833,014	2,084,379
Youth, Employment & Skills Training	3,139,069	4,558,146	7,697,215	5,065,004
Strategic Partnerships & Programmes	495,427	5,677,555	6,172,982	3,539,007
	<u>10,498,225</u>	<u>12,079,486</u>	<u>22,577,711</u>	<u>16,713,914</u>

In 2022 the income from charitable activities was £22,577,711 (2021: £16,713,914) of which £10,498,225 (2021: £12,644,451) was income from unrestricted funds and £12,079,486 (2021: £4,069,463) was income from restricted funds.

#### 4. INCOME FROM CHARITABLE ACTIVITIES (cont'd)

Income was received for:			Group	
	Unrestricted funds	Restricted funds	31.3.22	31.3.21
	£	£	£	£
Communities and Environmental Service	7,045,531	3,089,923	10,135,454	7,796,942
Landscape Design Services	2,210,274	1,092,438	3,302,712	2,777,975
Youth, Employment & Skills Training	3,213,703	4,924,351	8,138,054	6,534,730
Strategic Partnerships & Programmes	494,009	5,677,555	6,171,564	3,503,007
	<u>12,963,517</u>	<u>14,787,267</u>	<u>27,747,784</u>	<u>20,612,654</u>

In 2022 the income from charitable activities was £27,747,784 (2021: £20,612,654) of which £12,963,517 (2021: £13,907,359) was income from unrestricted funds and £14,787,267 (2021: £6,705,295) was income from restricted funds.

Income was provided by:	Charity	
	31.3.22	31.3.21
	£	£
Local Authorities	2,835,317	3,272,401
Public and Regional Agencies	10,906,109	4,788,332
European Union	2,184,441	1,543,464
Private Sector	5,716,389	6,325,073
National Lottery	935,455	784,644
	<u>22,577,711</u>	<u>16,713,914</u>
	Group	
	31.3.22	31.3.21
	£	£
Local Authorities	4,538,825	4,322,878
Public and Regional Agencies	11,506,701	5,163,218
European Union	1,771,009	1,543,464
Private Sector	8,417,357	7,784,753
National Lottery	1,513,892	1,798,341
	<u>27,747,784</u>	<u>20,612,654</u>

Income arose from:	Charity	
	31.3.22	31.3.21
	£	£
Sale of goods	461,407	329,772
Rendering of services	9,524,755	11,218,001
Grants	12,166,758	3,626,986
Government grants – employment programmes	424,791	1,539,155
	<u>22,577,711</u>	<u>16,713,914</u>
	Group	
	31.3.22	31.3.21
	£	£
Sale of goods	461,407	329,772
Rendering of services	14,694,828	15,102,118
Grants	12,166,758	3,641,609
Government grants – employment programmes	424,791	1,539,155
	<u>27,747,784</u>	<u>20,612,654</u>

## 5. COSTS OF RAISING FUNDS

	Charity and Group	
	31.3.22	31.3.21
	£	£
Other operating leases	73,443	80,709
Administrative expenses	217,219	165,856
	<u>290,662</u>	<u>246,565</u>

Administrative costs relate to the management of business units at Artichoke Mews and a public house adjacent to Denmark Hill railway station, offices at Morley Street and rental space at Lower Clapton Road.

## 6. CHARITABLE ACTIVITIES COSTS

	Direct costs	Governance and support costs (see note 7)	31.3.22	Charity 31.3.21
	£	£	£	£
Communities and Environmental Services	6,922,668	439,003	7,361,671	7,200,516
Landscape Design Services	1,883,667	119,871	2,003,538	1,349,809
Youth, Employment & Skills Training	6,849,435	834,003	7,683,438	4,887,853
Strategic Partnerships & Programmes	<u>5,187,952</u>	<u>277,838</u>	<u>5,465,788</u>	<u>3,302,336</u>
	<u>20,843,722</u>	<u>1,670,713</u>	<u>22,514,435</u>	<u>16,740,514</u>

In 2022 the expenditure on charitable activities was £22,514,435 (2021: £16,740,514) of which £10,431,995 (2021: £12,699,908) was expenditure from unrestricted funds and £12,082,440 (2021: £4,040,606) was expenditure from restricted funds.

	Direct costs	Governance and support costs (see note 7)	31.3.22	Group 31.3.21
	£	£	£	£
Communities and Environmental Services	9,473,672	710,664	10,184,336	9,090,630
Landscape Design Services	3,304,657	226,661	3,531,318	2,863,544
Youth, Employment & Skills Training	7,399,619	904,871	8,304,490	5,368,246
Strategic Partnerships & Programmes	<u>5,186,534</u>	<u>277,836</u>	<u>5,464,370</u>	<u>3,302,336</u>
	<u>25,364,482</u>	<u>2,120,032</u>	<u>27,484,514</u>	<u>20,624,756</u>

In 2022 the expenditure on charitable activities was £27,484,514 (2021: £20,624,756) of which £12,787,930 (2021: £14,044,656) was expenditure from unrestricted funds and £14,696,584 (2021: £6,580,100) was expenditure from restricted funds.

## 7. GOVERNANCE AND SUPPORT COSTS

The Trust 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 thematic programme areas in the year. The costs are allocated by staff time. The breakdown of costs are as follows:

Cost type				Charity
	Support costs	Governance costs	Total 2022	Total 2022
	£	£	£	£
Staff costs	863,945	24,398	888,343	882,497
Office and other costs	755,304	27,066	782,370	692,837
Total costs	<u>1,619,249</u>	<u>51,464</u>	<u>1,670,713</u>	<u>1,575,334</u>

Cost type				Group
	Support costs	Governance costs	Total 2022	Total 2022
	£	£	£	£
Staff costs	1,038,849	24,398	1,063,247	1,047,831
Office and other costs	1,022,219	34,566	1,056,785	1,040,015
Total costs	<u>2,061,068</u>	<u>58,964</u>	<u>2,120,032</u>	<u>2,087,846</u>

## 8. GOVERNANCE COSTS

	Group	
	31.3.22	31.3.21
	£	£
Staff costs	24,398	23,698
Legal fees	12,066	20,082
Auditor's remuneration	22,500	22,500
Total costs	<u>58,964</u>	<u>66,280</u>

## 9. NET INCOMING/ (OUTGOING) RESOURCES

Net resources are stated after charging

	Charity	
	31.3.22	31.3.21
	£	£
Auditors' remuneration – audit services	15,000	15,000
Depreciation – owned assets	104,611	111,343
Operating lease payments	138,210	151,970
Government grants	<u>39,110</u>	<u>543,467</u>

	Group	
	31.3.22	31.3.21
	£	£
Auditors' remuneration – Groundwork London	15,000	15,000
Auditor's remuneration – Groundwork South	7,500	7,500
Depreciation – owned assets	120,942	150,466
Amortisation of intangible fixed assets	-	13,889
Operating lease payments	221,710	235,983
Government grants	<u>94,054</u>	<u>1,064,468</u>

## 10. TRUSTEES' REMUNERATION AND BENEFITS

No payments or remuneration were made to the Trustees during this year or the previous year. Reimbursement of trustee expenses incurred was £nil (2021: £nil).

## 11. STAFF COSTS

The average number of employees during the year was as follows:

	<b>Charity</b>	
	<b>31.3.22</b>	<b>31.3.21</b>
Direct charitable	288	246
Fundraising	7	7
Governance	2	2
	<u>297</u>	<u>255</u>

	<b>Group</b>	
	<b>31.3.22</b>	<b>31.3.21</b>
Direct charitable	400	362
Fundraising	7	7
Governance	2	2
	<u>409</u>	<u>371</u>

Staff costs were as follows

	<b>Charity</b>	
	<b>31.3.22</b>	<b>31.3.21</b>
	<b>£</b>	<b>£</b>
Wages and salaries	8,577,444	7,211,711
Social security costs	765,420	635,202
Pension costs	641,581	566,669
	<u>9,984,445</u>	<u>8,413,582</u>

	<b>Group</b>	
	<b>31.3.22</b>	<b>31.3.21</b>
	<b>£</b>	<b>£</b>
Wages and salaries	11,377,353	9,727,204
Social security costs	958,371	801,228
Pension costs	819,407	808,432
	<u>13,155,131</u>	<u>11,336,864</u>

The company operated a defined contribution pension scheme. The assets of the scheme were held separately from those of the company in an independently administered fund. Contributions payable for the year were charged to the Statement of Financial Activities.

	<b>Charity</b>	
	<b>31.3.22</b>	<b>31.3.21</b>
	<b>£</b>	<b>£</b>
Amount of outstanding pension contributions	<u>3,498</u>	<u>3,040</u>

	<b>Group</b>	
	<b>31.3.22</b>	<b>31.3.21</b>
	<b>£</b>	<b>£</b>
Amount of outstanding pension contributions	<u>24,498</u>	<u>27,794</u>



## 11. STAFF COSTS – cont'd

Number of employees whose emoluments (excluding pension contributions) exceeded £60,000 in the year:

		Charity and Group
	31.3.22	31.3.21
£60,000 - £69,999	-	1
£70,000 - £79,999	1	1
£80,000 - £89,999	3	3
£90,000 - £99,999	1	-
	<u>5</u>	<u>5</u>

The total employer's contributions paid to defined contribution schemes for the above higher paid employees was £29,809 (2021 - £27,775). The key management personnel of the charity, the Trust, comprise the Executive Director, Director Finance & Corporate Services, Director Youth, Employment & Skills Training and Director Communities & Environmental Services. The total employee benefits of the key management personnel of the Trust were £529,608 (2021 £497,670).

## 12. TANGIBLE FIXED ASSETS – Group

	Freehold land and buildings £	Building improve- ments £	Fixtures and fittings £	Computer Equip't £	Motor vehicles £	Floating Classroom £
<b>COST</b>						
At 1 <sup>st</sup> April 2021	2,603,300	78,334	298,578	201,063	2,706	88,350
Additions	-	20,932	-	-	-	-
Disposals	-	-	-	-	-	-
At 31st March 2022	<u>2,603,300</u>	<u>99,266</u>	<u>298,578</u>	<u>201,063</u>	<u>2,706</u>	<u>88,350</u>
<b>DEPRECIATION</b>						
At 1 <sup>st</sup> April 2021	493,293	56,689	182,899	138,678	2,706	18,600
Disposals	-	-	-	-	-	-
Charge for year	<u>23,400</u>	<u>15,193</u>	<u>45,945</u>	<u>31,754</u>	<u>-</u>	<u>4,650</u>
At 31st March 2022	<u>516,639</u>	<u>71,802</u>	<u>228,924</u>	<u>170,432</u>	<u>2,706</u>	<u>23,250</u>
<b>NET BOOK VALUE</b>						
At 31st March 2022	<u>2,086,661</u>	<u>27,464</u>	<u>69,654</u>	<u>30,631</u>	<u>-</u>	<u>65,100</u>
At 31 <sup>st</sup> March 2021	<u>2,110,061</u>	<u>21,645</u>	<u>115,679</u>	<u>62,385</u>	<u>-</u>	<u>69,750</u>

## 12. TANGIBLE FIXED ASSETS – Group

	Total Tangible Fixed Assets £
<b>Cost</b>	
At 1 April 2021	3,272,331
Additions	20,932
Disposals	-
At 31 March 2022	<u>3,293,263</u>
<b>Depreciation</b>	
At 1 April 2021	892,811
Disposals	-
Charge for year	120,942
At 31 March 2022	<u>1,013,753</u>
<b>Net Book Value</b>	
At 31 March 2022	<u>2,279,510</u>
At 31 March 2021	<u>2,379,520</u>

## 12. TANGIBLE FIXED ASSETS – Charity

	Freehold land and buildings £	Building improve- ments £	Fixtures and fittings £	Computer Equip't £	Motor vehicles £	Total £
<b>COST</b>						
At 1 <sup>st</sup> April 2021	1,620,000	78,334	228,240	182,437	-	2,109,011
Additions	-	20,932	-	-	-	20,932
Disposals	-	-	-	-	-	-
At 31st March 2022	<u>1,620,000</u>	<u>99,266</u>	<u>228,240</u>	<u>182,437</u>	<u>-</u>	<u>2,129,943</u>
<b>DEPRECIATION</b>						
At 1 <sup>st</sup> April 2021	459,639	56,609	119,821	120,304	-	756,373
Disposals	-	-	-	-	-	-
Charge for year	15,000	15,193	42,916	31,502	-	104,611
At 31st March 2022	<u>474,639</u>	<u>71,802</u>	<u>162,737</u>	<u>151,806</u>	<u>-</u>	<u>860,984</u>
<b>NET BOOK VALUE</b>						
At 31st March 2022	<u>1,145,361</u>	<u>27,464</u>	<u>65,503</u>	<u>30,631</u>	<u>-</u>	<u>1,268,959</u>
At 31 <sup>st</sup> March 2021	<u>1,160,361</u>	<u>21,725</u>	<u>108,419</u>	<u>62,133</u>	<u>-</u>	<u>1,352,638</u>

### 13. INTANGIBLE FIXED ASSETS – Group

	Software £
<b>Cost</b>	
At 1 April 2021	49,720
Subsidiary intangible assets at fair value	-
Disposals	-
At 31 March 2022	<u>49,720</u>
<b>Depreciation</b>	
At 1 April 2021	49,720
Disposals	-
Charge for year	-
At 31 March 2022	<u>-</u>
<b>Net Book Value</b>	
At 31 March 2022	<u>-</u>
At 31 March 2021	<u>-</u>

### 14. INVESTMENT PROPERTIES

	Group and charity			
	Freehold property	Short leasehold £	Long leasehold £	Total £
Fair Value at 1 <sup>st</sup> April 2021	2,250,000	62,047	1,250,000	3,562,047
Net loss on revaluation	-	(19,717)	-	(19,717)
Fair Value at 31st March 2022	<u>2,250,000</u>	<u>42,330</u>	<u>1,250,000</u>	<u>3,542,330</u>

Groundwork London operates out of a 21 Morley Street. This property is also used for investment income. It was determined during the 2019/20 year that 50% of the property should be treated as an investment property in accordance with SORP FRS 102. An external valuation of £1,875,000 from 2016 was assigned to the investment element of this property. The investment element of the property has been subsequently revalued at 31<sup>st</sup> March 2021 by Avison Young, Chartered Surveyors, with a valuation of £2.25m. In the opinion of the Trustees there have been no changes in valuation since that date.

The short and long leasehold investment properties are held in the UK. The historical cost of the properties is £373,000. Artichoke Mews was revalued for a sum of £1.25m on 31<sup>st</sup> March 2021 by Avison Young, Chartered Surveyors, on an open market value in accordance with the guidelines issued by the Royal Institute of Chartered Surveyors. In the opinion of the Trustees there have been no changes in valuation since that date.

The above represents investment at fair value in the following properties which were transferred from Groundwork Southwark and Lambeth on 1 November 2007 as follows:

Artichoke Mews (125 year lease from 1 July 1990) - £1.25m. Historical cost £183,000.

Denmark Hill (41 year lease from 5 June 1983) - £42,330. Historical cost £190,000.

### 15. SUBSIDIARY COMPANIES

	31.3.22	Charity 31.3.21
	£	£
Shares in Group Undertakings	2	2

## 15. SUBSIDIARY COMPANIES -cont'd

The charity holds 100% of the issued ordinary share capital of Groundwork Environmental Services (West London) Limited (company number 03810135) and Groundwork Environmental Services (East London) Limited (company number 04308777). Both companies are incorporated in England and Wales. Both companies were dormant during the year.

On 14<sup>th</sup> March 2017 Groundwork London became the sole member of The Groundwork South Trust Ltd, a company registered in England and Wales (registered co number 01982077, registered charity no. 293705) for no consideration and the Group has consolidated its accounts from that date.

The separate accounts for The Groundwork South Trust Limited show the following for the year ended 31 March 2021.

	31.3.22	31.3.21
	£	£
Total income for the year	6,600,345	4,707,895
Total expenditure for the year	6,408,439	4,698,943
Total surplus / deficit for the year	191,906	8,952
Aggregate amount of assets	3,041,127	1,769,934
Aggregate amount of liabilities	3,324,906	2,245,619
Aggregate deficit on unrestricted funds	(283,779)	(475,685)

## 16. NON CURRENT ASSETS

	Charity	
	31.3.22	31.3.21
	£	£
Loans to subsidiary undertakings	-	15,948
	-	15,948

Loans to The Groundwork South Trust Ltd are not expected to be repaid within one year. Interest is charged to subsidiary undertakings at 2.85% above the Bank of England base rate, monthly in arrears. The freehold property of the charity has been pledged as security on these funds.

## 17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	31.3.22	31.3.21	31.3.22	31.3.21
			£	£
Trade debtors	4,293,772	3,708,870	4,093,558	3,507,315
Prepayments and accrued income	1,761,740	1,507,900	1,548,639	1,617,363
Other debtors	3,636	3,631	3,636	1,015
	<u>6,059,148</u>	<u>5,220,401</u>	<u>5,645,833</u>	<u>5,125,693</u>

## 18. CURRENT ASSETS INVESTMENTS

	Group and Charity	
	31.3.22	31.3.21
	£	£
Quoted market price at start of year	2,813,193	2,742,780
Additions in year at cost	-	-
Disposals in year	-	(270,783)
Net (losses) / gains on cash investments	<u>305,939</u>	<u>341,196</u>
Quoted market price at year end	<u>3,119,132</u>	<u>2,813,193</u>

## 19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>Group</b>		<b>Charity</b>	
	<b>31.3.22</b>	<b>31.3.21</b>	<b>31.3.22</b>	<b>31.3.21</b>
			<b>£</b>	<b>£</b>
Trade Creditors	1,454,456	555,487	1,225,266	606,825
Taxation and social security	783,349	1,080,615	708,294	976,447
Deferred income	6,573,371	6,604,389	4,485,098	4,841,717
Other creditors	487,135	113,705	301,420	100,947
	<u>9,298,310</u>	<u>8,354,196</u>	<u>6,720,078</u>	<u>6,525,936</u>

## 20. DEFERRED INCOME

Movements in group deferred income during the year were as follows:

	<b>Group</b>		<b>Group</b>	
	<b>Balance at 31.3.21</b>	<b>Amount release to incoming resources</b>	<b>Amount deferred in the year</b>	<b>Balance at 31.3.22</b>
	<b>£</b>		<b>£</b>	<b>£</b>
Income from charitable activities	<u>6,604,389</u>	<u>6,604,389</u>	<u>6,573,371</u>	<u>6,573,371</u>

Net incoming group resources as shown in the Statement of Financial Activities result from the following:

	<b>Group</b>		
	<b>Income received</b>	<b>Transferred from deferred income</b>	<b>Net income</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Income from charitable activities	<u>34,746,279</u>	<u>(6,573,371)</u>	<u>28,172,908</u>

Movements in group deferred income during the year ended at 31<sup>st</sup> March 2021 were as follows:

	<b>Group</b>		<b>Group</b>	
	<b>Balance at 31.3.20</b>	<b>Amount release to incoming resources</b>	<b>Amount deferred in the year</b>	<b>Balance at 31.3.21</b>
	<b>£</b>		<b>£</b>	<b>£</b>
Income from charitable activities	<u>5,777,392</u>	<u>5,777,392</u>	<u>6,604,389</u>	<u>6,604,389</u>

Net incoming group resources as shown in the Statement of Financial Activities result from the following:

	<b>Group</b>		
	<b>Income received</b>	<b>Transferred from deferred income</b>	<b>Net income</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Income from charitable activities	<u>27,217,043</u>	<u>(6,604,389)</u>	<u>20,612,654</u>

Movements in charity deferred income during the year were as follows:

	<b>Balance at 31.3.21</b>	<b>Amount release to incoming resources</b>	<b>Amount deferred in the year</b>	<b>Charity Balance at 31.3.22</b>
	<b>£</b>		<b>£</b>	<b>£</b>
Income from charitable activities	<u>4,841,717</u>	<u>(4,841,717)</u>	<u>4,485,098</u>	<u>4,485,098</u>

Net incoming charity resources as shown in the Statement of Financial Activities result from the following:

	<b>Income received</b>	<b>Transferred to deferred income</b>	<b>Charity Net income</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Income from charitable activities	<u>27,496,021</u>	<u>(4,485,098)</u>	<u>23,010,923</u>

Movements in charity deferred income during the year ended at 31<sup>st</sup> March 2021 were as follows:

	<b>Balance at 1 April 2020</b>	<b>Amount release to incoming resources</b>	<b>Amount deferred in the year</b>	<b>Charity Balance at 31 March 2021</b>
	<b>£</b>		<b>£</b>	<b>£</b>
Income from charitable activities	<u>4,488,654</u>	<u>4,488,654</u>	<u>4,841,717</u>	<u>4,841,717</u>

Net incoming charity resources as shown in the Statement of Financial Activities result from the following:

	<b>Income received</b>	<b>Transferred from deferred income</b>	<b>Charity Net income</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Income from charitable activities	<u>21,555,631</u>	<u>(4,841,717)</u>	<u>16,713,914</u>

## 21. COMMITMENTS UNDER OPERATING LEASES

Future minimum lease payments under non-cancellable operating leases for each of the following periods:

	<b>Group 31.3.22</b>	<b>Group 31.3.21</b>	<b>Charity 31.3.22</b>	<b>Charity 31.3.21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Not later than one year	219,026	193,591	135,258	114,769
Later than one year and not later than five years	498,627	480,042	291,982	218,182
Later than five years	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Future minimum lease receipts under non-cancellable operating leases for each of the following periods:

	<b>Group and Charity</b>	
	<b>31.3.22</b>	<b>31.3.21</b>
	<b>£</b>	<b>£</b>
Not later than one year	195,906	264,464
Later than one year and not later than five years	153,201	348,257
Later than five years	-	-

## 22. ANALYSIS OF NET ASSETS BETWEEN FUNDS – Group

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>31.3.22 Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	2,279,510	-	2,279,510
Investment Properties	2,250,000	1,292,330	3,542,330
Current assets	14,858,887	469,775	15,328,662
Current liabilities	(9,073,534)	(224,776)	(9,298,310)
	<u>10,314,863</u>	<u>1,537,329</u>	<u>11,852,192</u>

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>31.3.21 Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	2,379,520	-	2,379,520
Investment Properties	2,250,000	1,312,047	3,562,047
Current assets	12,931,275	649,592	13,580,867
Current liabilities	(7,954,603)	(399,593)	(8,353,196)
	<u>9,606,192</u>	<u>1,562,046</u>	<u>11,168,238</u>

## 22. ANALYSIS OF NET ASSETS BETWEEN FUNDS – Charity

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>31.3.22 Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	1,268,959	-	1,268,959
Non-current assets	-	-	-
Investment Properties	2,250,000	1,292,230	3,542,330
Current assets	13,574,985	469,775	14,044,760
Current liabilities	(6,495,302)	(224,776)	(6,720,078)
	<u>10,598,642</u>	<u>1,537,329</u>	<u>12,135,971</u>

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>31.3.21 Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	v	-	1,351,219
Non-current assets	351,157	14,791	365,948
Investment Properties	1,875,000	891,764	2,766,764
Current assets	12,086,445	509,100	12,595,545
Current liabilities	(6,383,716)	(268,892)	(6,652,608)
	<u>9,280,105</u>	<u>1,146,763</u>	<u>10,426,868</u>

### 23. THE FUNDS OF THE GROUP - 2022

	Brought forward 1.4.21	Incoming Resources	Resources Expended	Net gains / (losses) on invest- ments	Transfers In / (Out)	Carried Forward 31.3.22
<b>Unrestricted Funds</b>						
General funds	6,098,323	10,931,437	(10,722,657)	-	12,046	6,319,149
Groundwork South	(475,685)	3,430,911	(3,329,642)	-	90,637	(283,779)
Inter Group trans.	-	(973,707)	973,707	-	-	-
Total General funds	5,622,638	13,388,641	(13,078,592)	-	102,683	6,035,370
Designated funds	2,145,361	-	-	-	(10,000)	2,135,361
Fair value reserve	1,838,193	-	-	305,939	-	2,144,132
Total Unrestricted Funds	9,606,192	13,388,641	(13,078,592)	305,939	92,683	10,314,863
<b>Restricted Funds</b>						
Revaluation fund	1,079,823	-	-	(19,717)	-	1,060,106
Property fund	482,223	-	-	-	(5,000)	477,223
Programme funds	-	12,079,486	(12,082,440)	-	2,954	-
Groundwork South	-	3,169,434	(3,078,797)	-	(90,637)	-
Inter Group trans	-	(464,653)	464,653	-	-	-
Total Restricted Funds	1,562,046	14,784,267	(14,696,584)	(19,717)	(92,683)	1,537,329
<b>Total Funds</b>	<b>11,168,238</b>	<b>28,172,908</b>	<b>(27,775,176)</b>	<b>286,222</b>	<b>-</b>	<b>11,852,192</b>

### 23. THE FUNDS OF THE GROUP – 2021

	Brought forward 1.4.20	Incoming Resources	Resources Expended	Net gains / (losses) on invest- ments	Transfers In / (Out)	Carried Forward 31.3.21
<b>Unrestricted Funds</b>						
General funds	6,116,964	12,998,192	(12,946,473)	341,196	(411,556)	6,098,323
Groundwork South	(484,637)	2,072,063	(2,159,449)	-	96,338	(475,685)
Inter Group trans.	-	(814,701)	814,701	-	-	-
Total General funds	5,632,327	14,255,554	(14,291,221)	341,196	(315,218)	5,622,638
Designated funds	2,145,361	-	-	-	-	2,145,361
Fair value reserve	1,017,780	-	-	375,000	445,413	1,838,193
Total Unrestricted Funds	8,795,468	14,255,554	(14,291,221)	716,196	130,195	9,606,192
<b>Restricted Funds</b>						
Revaluation fund	659,540	-	-	420,283	-	1,079,823
Property fund	487,223	-	(5,000)	-	-	482,223
Programme funds	-	4,069,463	(4,035,606)	-	(33,857)	-
Groundwork South	-	2,635,832	(2,539,494)	-	(96,338)	-
Total Restricted Funds	1,146,763	6,705,295	(6,580,100)	420,283	(130,195)	1,562,046
<b>Total Funds</b>	<b>9,942,231</b>	<b>20,960,849</b>	<b>(20,871,321)</b>	<b>1,136,479</b>	<b>-</b>	<b>11,168,238</b>



## THE FUNDS OF THE CHARITY -2022

	Brought forward at 1.4.21	Incoming Resources	Resources Expended	Net gains / (losses) on investments	Transfers In / (Out)	Carried Forward at 31.3.22
	£	£	£	£	£	£
<b>Unrestricted Funds</b>						
General funds	6,098,323	10,931,437	(10,722,657)	-	12,046	6,319,149
Designated funds	2,145,361	-	-	-	(10,000)	2,135,361
Fair value reserve	1,838,193	-	-	305,939	-	2,144,132
Total Unrestricted Funds	10,081,877	10,931,437	(10,722,657)	305,939	2,046	10,598,642
<b>Restricted Funds</b>						
Revaluation fund	1,079,823	-	-	(19,717)	-	1,060,106
Property fund	482,223	-	-	-	(5,000)	477,223
Programme funds	-	12,079,486	(12,082,440)	-	2,954	-
Total Restricted Funds	1,562,046	12,079,486	(12,082,440)	(19,717)	(2,046)	1,537,329
<b>Total Funds</b>	<b>11,643,923</b>	<b>23,010,923</b>	<b>(22,805,097)</b>	<b>286,222</b>	<b>-</b>	<b>12,135,971</b>

## THE FUNDS OF THE CHARITY -2021

	Brought forward at 1.4.20	Incoming Resources	Resources Expended	Net gains / (losses) on investments	Transfers In / (Out)	Carried Forward at 31.3.21
	£	£	£	£	£	£
<b>Unrestricted Funds</b>						
General funds	6,116,964	12,998,192	(12,946,473)	341,196	(411,556)	6,098,323
Designated funds	2,145,361	-	-	-	-	2,145,361
Fair value reserve	1,017,780	-	-	375,000	445,413	1,838,193
Total Unrestricted Funds	9,280,105	12,998,192	(12,946,473)	716,196	33,857	10,081,877
<b>Restricted Funds</b>						
Revaluation fund	659,540	-	-	420,283	-	1,079,823
Property fund	487,223	-	(5,000)	-	-	482,223
Programme funds	-	4,069,463	(4,035,606)	-	(33,857)	-
Total Restricted Funds	1,146,763	4,069,463	(4,040,606)	420,283	(33,857)	1,562,046
<b>Total Funds</b>	<b>10,426,868</b>	<b>17,067,655</b>	<b>(16,987,079)</b>	<b>1,136,479</b>	<b>-</b>	<b>11,643,923</b>

## 24. THE FUNDS OF THE CHARITY

### Unrestricted Funds

#### **General Funds**

Funds available are sufficient to permit the company to continue in operation in the short term given the continued support of the funders. Should this support not continue in the longer term, further financial support would need to be sought to replace it. Where funds which are regarded as restricted are awarded based on outputs rather than actual costs any funds not applied against directly identified costs are transferred at the year end to unrestricted funds to cover overhead costs not directly recharged. Income that has not been fully delivered or earned is deferred.

### **Designated Funds**

The Designated Fund represents funds transferred from the general fund for the purpose of Groundwork London development. This includes the cost of the Morley Street property less the property depreciation charges.

### **Fair Value Reserve**

The Fair Value Reserve is a reserve for the unrealised gains and losses on the charity's unrestricted fixed asset investments and investment property revaluations.

### **Groundwork South**

These financial statements include the results of The Groundwork South Trust Ltd (registered co number 01982077, registered charity no. 293705) following Groundwork London becoming sole company member on 14<sup>th</sup> March 2017. The funds held in the group accounts represent the general funds of The Groundwork South Trust Ltd at 31<sup>st</sup> March 2022. Funds are transferred from unrestricted to restricted at the year-end on the basis that no restrictions exist on the income and expenditure recognised.

### **Restricted Funds**

#### **Revaluation Fund**

A revaluation fund is required by the Companies Act 2006 where investment properties are revalued subsequent to their acquisition, or in the case of assets held prior to the mergers, transfer to the control of Groundwork London. The balance shown on the revaluation reserve in the accounts, represents the difference between the revaluation of the investment in the Denmark Hill property (in 2003) and its original cost.

#### **Property Fund**

The investment property fund represents the valuation of the properties. The properties are the public house at Denmark Hill Station, the workshops and flats at Artichoke Mews and the property at Lower Clapton Road.

The properties at Denmark Hill and Artichoke Mews are intended to be set aside so that the returns are used for the day to day expenses of the charity in relation to projects undertaken within the London Borough of Southwark. The property at Lower Clapton Road is a freehold property transferred from Groundwork East London. The trustees have set aside an amount equivalent to the value of the investment properties as designated funds. The revaluation surplus following the most recent valuation of the properties for Denmark Hill is held in a separate Revaluation Fund.

The investment income less the investment management costs are allocated to a "Property" restricted fund.

#### **Programme Funds**

Grants, which are received for specific programmes (Communities & Young People, Urban Landscapes and Open Space, Employment & Skills Training and Environmental Services), are accounted for as restricted funds. The balances on restricted funds arise from grants received for these programmes on which some expenditure is still to be incurred in the coming financial year. Where funds which are regarded as restricted are awarded based on outputs rather than actual costs, any funds not applied against directly identified costs are transferred at the year end to unrestricted funds to cover overhead costs not directly recharged. There were no restricted balances on these grant funded programmes at 31<sup>st</sup> March 2022.

#### **Groundwork South**

Income which is received for specific programmes (Greener Living and Working, Youth and Employment, Parks and Open Spaces) are accounted for as restricted funds. These financial statements include the results for the year of The Groundwork South Trust Ltd (registered co number 01982077, registered charity no. 293705) following Groundwork London becoming sole company member on 14<sup>th</sup> March 2017. The balance of funds in the group accounts at 31<sup>st</sup> March 2022 represent the total funds held by The Groundwork South Trust Ltd at this date.

**25. RECONCILIATION OF CONSOLIDATED NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>Group</b>		<b>Charity</b>
	<b>31.3.22</b>	<b>31.3.21</b>	<b>31.3.21</b>
	<b>£</b>	<b>£</b>	
Net movement in funds	683,954	1,226,007	492,048
Investment income	(425,124)	(353,741)	(433,212)
Depreciation	120,942	139,250	104,611
Decrease/(Increase) in debtors	(838,747)	2,553,934	(520,140)
Net loss/ (gains) on cash investments	(286,222)	(1,136,480)	(286,222)
(Decrease)/ Increase in creditors	944,114	183,728	194,142
<b>Cash flows from operating activities</b>	<b>198,917</b>	<b>2,612,698</b>	<b>(448,773)</b>

**26. Analysis of changes in net debt**

	<b>Group</b>		
	<b>31.3.21</b>	<b>Cash flows</b>	<b>Other Non- Cash change</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash and Cash equivalents</b>			
Cash	5,547,273	603,109	-
Overdrafts	-	-	-
Cash equivalents	-	-	-
	<u>5,547,273</u>	<u></u>	<u>6,150,382</u>
<b>Borrowings</b>			
Debt due within 1 year	-	-	-
Debt due after 1 year	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>5,547,273</u>	<u>603,109</u>	<u>-</u>

	<b>Charity</b>		
	<b>31.3.21</b>	<b>Cash flows</b>	<b>Other Non- Cash change</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash and Cash equivalents</b>			
Cash	5,300,340	(20,545)	-
Overdrafts	-	-	-
Cash equivalents	-	-	-
	<u>5,300,340</u>	<u>(20,545)</u>	<u>-</u>

## 26. Analysis of changes in net debt – cont'd

	At 31.3.21	Cash flows	Other Non-Cash change	At 31.3.22
	£	£	£	£
<b>Borrowings</b>				
Debt due within 1 year	-	-	-	-
Debt due after 1 year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b>5,300,340</b>	<b>(20,545)</b>	<b>-</b>	<b>5,279,795</b>

## 27. FINANCIAL INSTRUMENTS

	<b>Charity</b>	
	<b>31.3.22</b>	<b>31.3.21</b>
	£	£
<b>Financial Assets</b>		
Financial assets measured at fair value through income and expenditure	3,119,132	2,813,193
Financial assets that are debt instruments measured at amortised cost	9,376,989	8,808,670
	<u>12,496,121</u>	<u>11,621,863</u>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	(2,234,980)	(1,684,219)
	<u>10,261,141</u>	<u>9,937,644</u>
	<b>Group</b>	
	<b>31.3.22</b>	<b>31.3.21</b>
	£	£
<b>Financial Assets</b>		
Financial assets measured at fair value through income and expenditure	3,119,132	2,813,193
Financial assets that are debt instruments measured at amortised cost	10,447,790	9,259,774
	<u>13,566,922</u>	<u>12,072,967</u>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	(2,724,939)	(2,223,771)
	<u>10,841,983</u>	<u>9,849,226</u>

Financial assets measured at fair value through income and expenditure comprise fixed asset investments in UK listed investments.

Financial assets measured at amortised cost comprise all cash and cash equivalent balances and debtor balances, excluding prepayments and accrued income.

Financial liabilities measured at amortised cost comprise all creditor balances except deferred income.

## 28. CAPITAL COMMITMENTS

At 31<sup>st</sup> March 2022 there were no capital commitments or contingent liabilities for Groundwork London.

## 29. RELATED PARTY TRANSACTIONS

Transactions between the charity and its wholly controlled subsidiary are not disclosed, as permitted by the exemptions set out in Section 33.1A of FRS 102 (Related Party Disclosures).

### 30. ACKNOWLEDGEMENTS

Groundwork London thanks all its supporters. We have been asked specifically to acknowledge the support of the following funders

Source	Project
BIG Lottery	BBO ILM North
BIG Lottery	BBO ILM South
BIG Lottery	BBO Coast to Capital