

Groundwork Greater Manchester

Annual Report and Financial Statements 2020/21

Charity registration no. 1124508
Company registration no. 06543150

Registered office
Trafford Ecology Park,
Lake Road
Trafford Park
Manchester
M17 1TU

CONTENTS

Page

3	About Groundwork Greater Manchester
4	Chair's statement
6	Governance
8	Objectives and public benefit
10	Strategic report
	Overview
	Activity highlights
	Our plans for the future
	Financial performance
	Principal risks and uncertainties
	Statement of Trustees' responsibilities
19	Independent auditor's report
23	Statement of financial activities
24	Charity balance sheet
25	Cash flow statement
26	Notes forming part of the financial statements
34	Advisors
35	Board of Trustees, Committees and Executive Team

TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Board of Trustees presents its report for the year ended 31 March 2021. Statements about Groundwork (page 3), governance (page 5), objectives and public benefit (page 7), our plans for the future (page 11), financial review 2018/19 (page 14), advisors (page 35) and the details of the Board of Trustees, Committees and senior management team (page 36) form part of this report.

ABOUT GROUNDWORK GREATER MANCHESTER

Groundwork Greater Manchester is a well-established and highly respected social enterprise and registered charity, delivering a range of environmentally focused activities and services in Greater Manchester and Lancashire. Our activities are spread across five broad service areas, reflecting our vision of creating **a greener, more resilient city region with stronger, healthier communities, responsible businesses and enhanced prospects for all local people**. We do this by delivering:

1. Community Engagement
2. Landscape Design and Build
3. Training and Coaching For Employment
4. Early Intervention to Support Health and Wellbeing
5. Safe and Sustainable Business Support

We have clear and ambitious aspirations around the breadth and depth of our impact, the social value we deliver and the improvements we want to make to the sustainability of local communities, businesses and individuals. We also offer internal and corporate volunteering opportunities across a range of activities and we actively recruit local volunteers to support specific projects and programmes. Our head office base is Trafford Ecology Park, a designated local nature reserve and Site of Biological Importance - a green oasis in the heart of Europe's largest industrial estate. We also have office bases and depots at Birchcroft, just outside Ashton under Lyne and Hamer Vale in Rochdale, as well as numerous project delivery sites around Greater Manchester.

The current structure of Groundwork Greater Manchester is the result of successful local delivery and growth over many years, and of mergers between previous smaller Groundwork trusts across the southern half of Greater Manchester in 2008; the addition of Pennine Lancashire to our area of operation in 2013 and finally the merger between Groundwork MSSTT and Groundwork BBOR in August 2020

The Trust remains a leading member of the Groundwork Federation of charitable businesses operating locally, regionally and nationally throughout the UK, responding to the diverse needs of its stakeholders but working to the shared aspirations and common goals set out in the Groundwork 2020 -23 vision.

Further details about the impact of Groundwork Greater Manchester's activities during 2020/21 can be found on pages 9 and 10. Our work is designed to address the needs of all sections of the community and we provide equal access to our services regardless of race, gender, disability or sexual orientation.

For further details about our work visit <https://www.groundwork.org.uk/hubs/greatermanchester/>

TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

CHAIR'S STATEMENT

Groundwork Greater Manchester is one of two Groundwork Trusts operating in the Northwest, as part of a wider national Federation of like-minded organisations. The economic and policy climate in which we operate moving into 2021-22 will be dominated by the huge and unprecedented social and economic challenges facing the country as we emerge from the Covid 19 crisis; these uncertainties are compounded by the completion of Brexit and the UK leaving the EU in December 2020

The past twelve months has seen the Trust take significant steps along our journey towards long term sustainability and growing both the scale of our services and the positive social impact we generate. As mentioned over the past few years, the opportunities to secure income from our traditional markets have been very much reduced and there is increased competition for grant funding and commissioned services. We have had to learn to be more agile and more commercially focussed, whilst retaining our charitable ethos and that fundamental Groundwork 'DNA'.

Over the past year we have strengthened our relationships with key private sector clients, whilst also seeking to reinvigorate our partnerships with our local authorities, social housing providers and, via Groundwork UK, with central Government and national corporates. In many ways, the Covid 19 crisis has highlighted the key strengths of Groundwork and brought our work around green spaces; resilient communities and helping young people achieve their potential into sharp focus. Put simply, we have been 're-discovered' by many historical partners!

We have made good progress towards delivering our exciting five year 'Vision', which sets out our aspirations and ambitions for the scale, quality and impact of our work across the City Region between 2018 and 2023. This will directly support the national aspirations of the Groundwork 2020 Strategy

The significant work carried out over recent years to move towards a seamless Groundwork offer within the Greater Manchester City region came to fruition with the merger between Groundwork MSSTT and our sister Trust Groundwork Bury, Bolton, Oldham and Rochdale (BBOR) to create Groundwork Greater Manchester, based on the company structure of the former Groundwork MSSTT. This merger was initially delayed due to the emergence of Covid 19, but was finally completed on 7th August 2020 and therefore the accounts show the full impact of the whole year for both Trusts. Moving forward we believe we have created an organisation with unique capacity and scale within our sector in Greater Manchester, with around 100 staff and a forecast turnover of approximately £4.5 million in the first full year of operation.

Crucially we also spent time over the summer of 2020 to revisit our strategic vision and to agree three clear and cross cutting priority themes, in the context of both the post Covid 19 recovery and the re-aligned focus of the Greater Manchester Combined Authority:

- **Supporting Young People to Bounce Back**
- **Supporting Greener Growth**
- **Facilitating the Power of Communities**

Our work is also informed by the UN Sustainable Development goals; responding to the Climate Emergency; the GM 5 Year Environment Plan and the GM Industrial Strategy

The Trustees have been keen to support the merged Trust to develop sustainable income streams through the prudent use of reserves to develop new services, acquire new equipment, and to enhance our operational capacity. The recent expansion of our Landscape Design & Build Teams; establishment of two new Green Teams and expansion of our Communities, Green Doctor and Employment teams are visible demonstrations of our ambitions, along with the acquisition of our first electric vehicle.

My fellow Trustees and I are supporting the Executive Team to follow a rigorous performance monitoring and risk management process to ensure we remain within the financial operating parameters set by the Board and to protect our resilience moving forwards

Finally, I would like to pay a personal tribute to all the dedicated staff at Groundwork Greater Manchester who work so hard to support people in some of our most disadvantaged neighbourhoods and who help local communities and businesses to become more sustainable

Tony Berry,
Chair
November 2021

TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

GOVERNANCE

Registration numbers

Charity Registration Number: 01124508
Company Registration Number: 06543150

Structure and organisation

Groundwork Greater Manchester is a charity and a company limited by guarantee. The governing documents are its Memorandum and Articles of Association, which were last amended at a General Meeting of the Members of the company held on 18th February 2021.

The Board meets quarterly and retains authority for the overall strategy and policy of the Trust and approves the Strategic Vision and the annual Operational Delivery and Business Development Plan, delegating development of the planning process to the Executive Team, whilst retaining responsibility for overall scrutiny of performance.

An Executive Director is appointed by the Board to lead the day to day operations of the Trust and supported by a Finance Director and an Operations and Business Development Director. To facilitate effective operations, the Executive Director has delegated authority, approved by the Board, for a range of operational matters including finance, human resources and service delivery. The Executive Director of the trust is Mike Ormerod.

The Trust is a very active member of the Federation of Groundwork Trusts, a national organisation with some 14 members and our Executive Director, Mike Ormerod, chairs the national Federation Executive Team and sits on the Groundwork Federation Board. The Trust and the Federation, however, recognise that the performance of their programmes and their behaviours can and do impact on each other and the Federation as a whole.

In order to make most effective use of the goodwill of the Groundwork name and reputation, and to ensure the highest possible common standards, each Trust signs a Membership Agreement with the Federation which sets down the obligations of the Trust to the Federation and vice versa. There is an ongoing direction of travel to consolidate structures across the federation and to operate more collaboratively in both service delivery and the provision of business support functions.

Board of Trustees

The Board of Trustees is comprised of up to 12 Directors, 11 of whom are also individual Company Members. Groundwork UK is the 12th Company Member and is able to nominate one Trustee to represent them on the Board

The clear intention is to provide a balance of skills, knowledge and experience whilst also representing the diverse communities we work with.

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

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

TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

There are currently eleven individual Trustees (who are also Directors and Company members), along with one Trustee (and Director) nominated by Groundwork UK, as a 'corporate' Company Member.

The appointment of trustees can be for a fixed or indeterminate period of time provided that this does not exceed 3 years. A retiring Trustee or a Trustee whose term of office has come to an end may be reappointed provided that if a Trustee has served as such for a continuous period exceeding six years his / her reappointment shall: (i) be subject to a rigorous review by the Trustees taking into account the need for progressive refreshing of the Board of Trustees; and (ii) explained in the Trustees' annual report.

Trustees are responsible for ensuring a full suite of organisational systems, processes and policies is maintained and embedded in the way Groundwork Greater Manchester is managed. This includes policies governing our fundraising standards, our investments and our responsibilities to our staff, volunteers and beneficiaries. We pay particular attention to issues of Quality, Health & Safety, Environment and Safeguarding and maintain comprehensive business continuity and risk management arrangements. We review the skills and experience of our Board to ensure we have access to the expertise needed to run our business efficiently, effectively and safely. We are also striving to ensure our Board better reflects the diversity of the communities we serve

The work of our Board is supported by an Audit & Risk Committee; a Remuneration & Staffing Committee and a Compliance & Performance Committee along with internal management groups for issues such as Safeguarding and Health & Safety.

We also have a number of Associate Trustees who support the Trust on specialist areas such as Health & Safety and Safeguarding

Groundwork Greater Manchester's Senior Management Team is led by the Executive Director and includes senior staff members responsible for financial and business support functions; business development, programme/project management; marketing; communications and fundraising. This team is fully accountable to the Board and its Sub-Committees and members of the board are involved as a 'lead trustee' in each business area. It operates through powers outlined in our scheme of delegation and financial regulations and provides regular reports to the Board on financial and operational performance and compliance.

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 Trust's Executive Director, Mike Ormerod, is currently Chair of the national Federation Executive Team.

The elected trustees of the Federation Board are, by definition, also trustees of Groundwork Trusts. However, 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.

TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND PUBLIC BENEFIT

In accordance with SI7(5) of the Charities Act 2011, the Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities.

Our charitable objectives set down in our Memorandum of Association are for public benefit as set out below:

1.1. To promote the conservation, protection and improvement of the physical and natural environment in the Metropolitan Boroughs of Blackburn with Darwen, Bury, Bolton, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and the Districts of Burnley, Hyndburn, Pendle, Rossendale and Ribble Valley and such other areas as the Trustees shall in their absolute discretion determine from time to time ('the area of benefit');

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

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

1.4. To promote urban or rural regeneration in areas of social and economic deprivation within the area of benefit by all or any of the following means:

1.4.1. the relief of poverty in such ways as may be thought fit;

1.4.2. the relief of unemployment in such ways as may be thought fit including assistance to find employment;

1.4.3. the advancement of education, training or re-training particularly amongst unemployed people and providing unemployed people with work experience;

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

1.4.4.1. in setting up their own businesses; or

1.4.4.2. to existing businesses;

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

1.4.6. the provision of housing for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving

any local authority or other bodies of a statutory duty to provide or improve housing;

1.4.7. the maintenance, improvement or provision of public amenities;

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

1.4.9. the provision or assistance in the provision of recreational facilities for the public at large and / or those who by reason of their youth, age, infirmity or disablement, poverty or social and economic

TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

circumstances, have need of such facilities;

1.4.10. the protection or conservation of the environment, and the promotion and maintenance of sustainable community based projects;

1.4.11. the provision of public health facilities and childcare;

1.4.12. the promotion of public safety and prevention of crime;

1.4.13. such other means as may from time to time be determined subject to the prior written consent of the Commission;

1.5. To promote sustainable development within the area of benefit by:

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

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

1.5.3. the promotion of sustainable means of achieving economic growth and regeneration;

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

Sustainable development in this Article and in Article 1.5 above means 'development which meets the needs of the present without compromising the ability of future generations to meet their own needs'.

TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

a) OVERVIEW

2020-21 was a positive year for Groundwork Greater Manchester, with further growth in the scale, breadth and impact of our activities and consolidation of our re-focussed business model. Financial performance was strong, with an unrestricted surplus of around £103,762 even allowing for exceptional in year costs relating to the merger outlined previously)

In broad terms over the past five years we have stabilised our position in the context of ongoing public sector austerity, along with the continuing and emerging economic uncertainties around Brexit and the Covid 19 crisis respectively and move into 2021-22 with a sense of cautious optimism as we sustainably grow our services.

Our free cash reserves remain strong and within the Trust's reserves policy and all our operational delivery teams delivered healthy contributions towards overhead costs. As a recently merged organisation the Trust now has significantly enhanced capacity and resilience compared to the previous position

We have therefore actively pursued opportunities to sustainably grow the Trust's operational delivery capacity and to maintain and enhance our extensive Groundwork service offer through continual improvement of our products and services, recruitment where necessary and more collaborative working and structural consolidation with other Trusts. We currently maintain a staff team of around 100, supported by sessional staff and Associates.

Significant efforts have also been made to engage with new clients; to increase the level of collaborative and partnership working and to generally raise the profile of the organisation, including the expansion of our digital delivery capacity and our online presence

In year we carried out a gender pay review, the outcome of which was extremely positive, with a very small (1%) gap in favour of male employees; The top quartile of salaries showed a 8:6 split in favour of female employees (i.e. based on the 14 current members of the Senior Management Team)

Despite the challenges facing the Trust we have delivered a wide range of successful projects and programmes, supporting individuals and communities in some of our most disadvantaged neighbourhoods. Staff morale has remained consistently high and we achieved the Investors in People Silver Award in January 2021

Our successes in the year have been made possible by the energy, commitment and passion of our staff team and through the support of the Board of Trustees.

b) ACTIVITY HIGHLIGHTS

GROUNDWORK GM

ANNUAL HIGHLIGHTS 2020/21

CREATING A MORE SUSTAINABLE FUTURE
FOR PEOPLE, PLACES & BUSINESSES



CREATING BETTER PLACES

146

PROJECTS
DELIVERED

155

COMMUNITY
ORGANISATIONS
SUPPORTED

GREENER LIVING & WORKING

1,911

TREES PLANTED

78

BUSINESSES
SUPPORTED

VOLUNTEERS



189 people



3,980 hours



£37,810 value



IMPROVING PEOPLE'S PROSPECTS

624 Young people supported to learn & achieve

276 Positive outcomes achieved by young people

156 People supported into education, training or work



Help us do even more next year

t: 0161 220 1000 / e: greatermanchester@groundwork.org.uk
[@groundworkgm](https://www.groundworkgm.org.uk) / www.groundwork.org.uk



TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

c) OUR PLANS FOR THE FUTURE

At the time of writing, we are starting to emerge from the Covid 19 crisis – which has been a completely unprecedented period of social, public health and economic challenges. The next few years will undoubtedly present huge challenges for communities across the UK, but especially in areas with high levels of deprivation such as those found in parts of Greater Manchester and Pennine Lancashire. As the economy slowly recovers, pressures on public spending and the added uncertainties around Brexit mean there is a huge risk of greater social inequality and greater geographic disparity – indeed latest official figures show an absolute increase in child poverty and a widening of the gap between the poorest and richest in society. Covid 19 has highlighted the importance of high quality of public realm and green spaces in helping maintain good health and wellbeing within communities.

There are, however, opportunities as well as challenges – post Covid 19 there will be huge pressure to support those most badly affected economically, in particular young people and those in marginal employment sectors. We also need to work hard to ensure the environmental benefits of lockdown are maintained – better air quality; less car journeys and the appreciation of green space. Groundwork stands ready to support a green skills led economic bounce back.

The GM City Mayor has clear and challenging objectives around environmental improvements and carbon reduction and we are playing a full role in helping deliver these plans, including a number of pledges around our work in green spaces; with businesses and with young people. We now have an ambitious five year Environment Plan for the City Region, which includes numerous ‘pegs’ onto which we can hang our services

The Groundwork Federation has stepped up work to deliver the ‘Building a Better Groundwork’ Transformation Programme; in essence this means creating a more viable and financially secure Federation, which will be achieved through increased consolidation and collaboration around service delivery, along with more robust and consistent approaches to risk management; communications and business development. Groundwork Greater Manchester is supportive of this approach and is at the leading edge of collaboration between Trusts, both regionally and nationally.

To help manage these challenges and opportunities a new and much more rigorous business planning and performance/risk management system was embedded in 2019-20. These processes and procedures include clear priorities around service and product development; stretching income targets and a very visible, inclusive role for Trustees and all the staff in the organisation. In year we successfully retained or secured a wide range of accreditations including our ISO 9001 and 14001 standards; CHAS; Investors in People; Matrix and the Carbon Literate Organisation silver standard – this supports our aspiration to be recognised as a high quality service provider

The Groundwork movement was established at a time of political, social and economic challenge as an innovative solution to harnessing public, private and voluntary sector resources to help communities cope with change and work together to make their lives and neighbourhoods better. That experience and that spirit of enterprise and innovation is as important now as it ever was.

Looking ahead, the priority for Groundwork Greater Manchester in 2021/22 is to continue to improve our operational performance and to achieve at least an operational break even position by the end of the financial year. We will also continue to implement plans to sustainably grow our operational delivery teams and to diversify income streams, in particular some of the larger grant programmes that we have and to broaden the range of our ‘enterprise’ based activities.

During 2020/21 the Federation's key performance measures were based around the commitments set out in the Groundwork 2020-23 Vision. Our collective ambition is to build our visibility, our reputation and our resource base so that we can be a significant, radical, national force for driving change in attitudes, behaviours, places and prospects in the local communities that need it most.

The Groundwork Federation 2020-23 Vision can be viewed here:

<https://www.groundwork.org.uk/about-groundwork/2023strategy/>



As outlined previously in this report, the continued sustainable growth of Groundwork Greater Manchester will be the key strategic priority for 2021-22, focussing on:

- Supporting Young People to Bounce Back
- Supporting Greener Growth
- Facilitating the Power of Communities

The Groundwork Greater Manchester 2020-23 Vision can be viewed here:

<https://www.groundwork.org.uk/hubs/greatermanchester/about/>

+++++

TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

d) FINANCIAL PERFORMANCE

Groundwork Greater Manchester's total incoming resources for 2020/21 totalled £3.462 million, with an unrestricted trading surplus of £103,762.

Reserves

Groundwork UK's Trustees and senior management team have reviewed the Reserves Policy and the Board has agreed that a reasonable level of unrestricted reserves (3-6 months running costs) is required for the following reasons:

- to absorb short term set-backs such as loss or delays in funding
- to provide the working capital required to fund retrospective and payment by results programme funding which can result in considerable timing differences between expenditure and receipt of funds
- to cover the cost of investing in staff training and development to develop new and improved services for Groundwork
- to cover the cost of developing new services, such as improved communications, research and quality and business information systems
- to provide funds to invest in functional property where the Board has determined that the purchase of property is preferable to leasing or renting
- to set aside funds for other appropriate capital assets such as ICT equipment and for properly equipping Groundwork UK's functional properties
- to provide funding to cover any unforeseen downturn in activity, allowing alternative activity to be generated and/or a planned down-sizing of activity.

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

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

Having reviewed the above criteria, the Trustees have determined that Groundwork Greater Manchester should aim to retain sufficient free reserves to provide cover for approximately 3 months in relation to known liabilities & working capital requirements. This currently would be approximately £540k
The current level is calculated as:

Total Unrestricted Funds	£1,605,485
(less) tangible fixed assets for charity use	£1,034,163
Total:	£571,322

This excess is likely to be important with the Current Covid 19 crisis and also in ensuring the merger process is completed successfully with all its associated costs.

TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Investments

The majority of the programme funds obtained by the Trust are provided against specified projects for particular needs and are initially financed from reserves. Therefore any funds that are built up in advance of expenditure need to be kept as liquid as possible, whilst making every effort to maximise any available investment return.

Such funds are kept on deposits with reputable banks where immediate access has to be balanced against available interest rates. Rates available from the whole banking sector are kept under regular review and every effort is made to maximise any potential return in an effort to obtain all possible funding for all projects.

Principal funding sources

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

Total income for the year was £3.46m

The major sources of funding during the year were:

Local Authorities - £0.45m

Private Sector contracts - £0.92m

Housing providers - £0.8m

Government Agencies & EU - £0.28m

Big Lottery - £0.25m

Furlough and Other Income - £0.76m

There were Landfill Tax revenues of £37,584 received in the year from Veolia. This was carried forward into 2021/22 on the ongoing Roch Valley project

Funds held in trust

The trust holds a balance on behalf of the Brinnington Big Local Partnership (Big Lottery).

This partnership aims to:

- to improve the area known as Brinnington for the benefit of the inhabitants of the area
- to encourage the goodwill and improvement of the local community
- to foster community spirit and encourage civic pride
- to ensure that all residents are communicated with and consulted regularly

The cash balance at year end was £13,660 (2020 - £65,981) and is shown in other creditors.

Also the trust holds a balance of £94,495 (2020 - £94,495) on behalf of the Irwell Rivers Trust, to be spent by the Irwell Catchment Partnership, of which Groundwork Greater Manchester are members.

- The funds will be managed in-line with the Not for Profit guidelines provided by the Charities Commission
- The funds will only be used for activity agreed by the ICP for the Irwell Catchment

TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

e) PRINCIPAL RISKS AND UNCERTAINTIES

Risk Assessment & Management

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

Major risks are those that have a high probability of occurring, and would if they occurred, have a severe impact on either operational performance or achievement of purposes, or could damage Groundwork's reputation.

The risk management process, which operates as both a top-down and bottom-up mechanism, is designed to enable the Board to conclude whether the major risks to which the charity is exposed have been identified and reviewed, and that systems have been established to mitigate these risks.

The system involves the Executive & Senior Management Team:

- Reviewing the main, high impact generic risks.
- Establishing a comprehensive risk register of all the significant risks which might impact on the Trust's core purposes and key objectives.
- Establishing a bottom-up and top down process of risk identification, assessment, mitigation and monitoring for all likely risks within the Trust.
- Producing detailed reports to the Board setting out the actions designed to eradicate or mitigate the risks identified.

The major areas of risk identified to date, potential impact and mitigations are:

- The management of the Trust's reputation for quality and effective programme delivery, sound governance, and financial probity. Clearly the risk to the Trust's reputation would have a negative effect on the future income being able to bring in. The Quality systems in place in the organisation including ISO 9001 help to mitigate along with strong board governance including regular Audit and Risk/Board meetings.
- The management of key relationships with local Authority & other key partners, financial risks such as the acceptance of onerous funding terms, or commitment to matching funding etc. This can impact substantially on being tied into long, punitive contracts. Again by having contracts analysed by the Audit and Risk committee and senior management having good relationships with key personnel helps overcome these risks.
- External risks, such as regulatory and legal requirements, and the risks associated with giving advice to third parties. This has both reputational and financial risk and it is important that the company has the required insurance and regulatory cover for the work involved
- Operational risks affecting programme performance, staff skills, loss of key staff and IT systems. This can result in loss of continuity in the business and therefore loss of performance in all contract areas. Senior Management seek to regularly consult with staff with annual surveys and appraisal processes, which include succession planning where possible. IT systems are regularly reviewed and updated and Cyber Essentials accreditation has been achieved and maintained.

TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

- Risks emanating from the performance/activities of other Groundwork Trusts within the Federation. This is clearly a reputational risk to all of the Groundwork Network and close contact and central messaging from Groundwork UK is essential in getting out the correct message. This is dealt with at regular FET meetings with all the trusts in the federation.

The Trust recognises that risk management is an essential part of good business practice and an effective mechanism of good governance.

The Board is committed to ensuring that risk management processes are embedded through the Trust, and that these processes are used to help identify at an early stage issues that affect performance or achievement of purpose.

The Board does recognise that a risk management system can only seek to manage rather than eliminate risk of failure, and that it should therefore be only one of the tools that the Board uses to provide effective control and management of the administration of the trust.

Financial instruments

The Trust's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. Our policy is to finance working capital through retained reserves. The Trust does not use hedge accounting. Its policy is to finance fixed assets through borrowings for a term broadly expected to match the useful economic lives of the assets.

The Trust's exposure to the price risk of financial instruments is therefore minimal. As the counterparty to all financial instruments is its bankers, it is also exposed to minimal credit and liquidity risks in respect of these instruments.

The Trustees do not consider any other risks attaching to the use of financial instruments to be material.

Auditor

Beever and Struthers are deemed to be re-appointed under section 487(2) of the Companies Act 2006. Beever and Struthers have audited the accounts since 2014/15 and the service has been and will continue to be tendered on a regular basis since this date.

TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

f) STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Groundwork Greater Manchester) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed on behalf of the Board of Trustees



Tony Berry

Chair

Date: 15th December 2021

TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Independent Auditor's Report to the members of Groundwork Greater Manchester

Opinion

We have audited the financial statements of Groundwork Greater Manchester 'the charitable company' for the year ended 31 March 2021 which comprise Statement of Financial Activities including the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the other information. 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.

TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and] the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

We identify and assess the 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.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the charitable company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Trustees and reviewed correspondence and Trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Trustees have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Trustees have in place to prevent and detect fraud. We enquired of the Trustees about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

TRUSTEES REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Use of our report

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



Sue Hutchinson
(Senior Statutory Auditor)

For and on behalf of
BEEVER AND STRUTHERS
Statutory Auditor
St George's House
215/219 Chester Road
Manchester M15 4JE

Date: 17 December 2021

Groundwork Greater Manchester

Statement of financial activities including the Income and Expenditure account for the year ended 31 March 2021

	Note	2021 Unrestricted funds £	2021 Restricted Funds	2021 Total £	2020 Unrestricted and Total £
Income:					
Donations and legacies	3	499,632	-	499,632	45,724
Exceptional income on combination	3	15,591	67,257	82,848	-
Investment income	4	36,949	-	36,949	75,442
<i>Income from charitable activities:</i>					
Land & Neighbourhood regeneration		664,940	-	664,640	312,461
Community Development & Youth		668,769	-	668,769	811,487
Training and Coaching for Employment		1,175,327	-	1,175,327	734,405
Sustainable Business/Energyworks		400,425	-	400,425	192,607
Total income		3,461,633	67,257	3,528,890	2,172,126
Expenditure:					
<i>Costs of raising funds:</i>					
Commercial trading operations	5	26,204	-	26,204	17,050
<i>Expenditure on charitable activities:</i>					
Land, Design and Build	6	720,574	2,000	722,574	345,607
Community Development & Youth		820,532	-	820,532	813,024
Training and Coaching for Employment		1,429,915	-	1,429,915	952,993
Sustainable Business/Energyworks		360,646	-	360,646	223,416
Total expenditure		3,357,871	2,000	3,359,871	2,352,090
Net incoming resources	10	103,762	65,257	169,019	(179,964)
Net movement in funds		103,762	65,257	169,019	(179,964)
Fund balances brought forward at 1 April 2020	18	1,501,723	-	1,501,723	1,681,687
Fund balances carried forward at 31 March 2021	18	1,605,485	65,257	1,670,742	1,501,723

Incoming resources and resources expended derive from continuing operations.

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

The notes on pages 25 to 34 form part of these financial statements.

Groundwork Greater Manchester

Charity balance sheet at 31 March 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	11		1,034,163		1,015,551
			<u>1,034,163</u>		<u>1,015,551</u>
Current assets					
Debtors	12	873,380		442,942	
Cash at bank		1,315,568		650,552	
		<u>1,315,568</u>		<u>650,552</u>	
Creditors: amounts falling due within one year	13	1,552,369		607,322	
		<u>1,552,369</u>		<u>607,322</u>	
Net current assets			636,579		486,172
Total assets less current liabilities			<u>1,670,742</u>		<u>1,501,723</u>
			<u>1,670,742</u>		<u>1,501,723</u>
Net assets	17		1,670,742		1,501,723
Reserves					
Restricted funds:			65,257		-
General funds	18		1,605,485		1,501,723
			<u>1,605,485</u>		<u>1,501,723</u>
			<u>1,670,742</u>		<u>1,501,723</u>

These financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:



Tony Berry
Chair

Date: 15th December 2021

Company registration no. 06543150

The notes on pages 25 to 34 form part of these financial statements.

Groundwork Greater Manchester

Cash flow statement for the year ended 31 March 2021

	2021	2020
	£	£
Reconciliation of net (Outgoing)/incoming resources before transfers to net cash (Outflow)/inflow from operating activities		
Net incoming (outgoing) resources before transfers	169,019	(179,964)
Interest receivable	(1,388)	(2,526)
Rental income	(35,561)	(72,916)
Depreciation	60,600	48,197
(Increase)/Decrease in debtors	(430,438)	38,100
Increase/(Decrease) in creditors	945,047	171,431
Net cash inflow from operating activities	707,279	2,322
Cash flow from financing activities		
Repayment of loans & borrowings	(-)	(-)
Net cash inflow from financing activities	(-)	(-)
Cash flows for investing activities		
Interest received	1,388	2,526
Rental income	35,561	72,916
Payments to acquire tangible fixed assets	(79,212)	(201,289)
Receipts from sale of tangible fixed assets	-	10,137
Net cash outflow from capital expenditure	(42,263)	(115,710)
Increase in cash	665,016	(113,388)
	2021	2020
	£	£
Increase(Decrease) in cash in the period	665,016	(113,388)
Cash and cash equivalents at 1 April 2020	650,552	763,940
Cash and cash equivalents at 31 March 2021	1,315,568	650,552

The notes on pages 25 to 34 form part of these financial statements.

Groundwork Greater Manchester

Notes forming part of the financial statements for the year ended 31 March 2021

1 Accounting policies

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

a) *Basis of preparation*

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Groundwork Greater Manchester meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) *Going Concern*

The COVID 19 disruption has clearly impacted on the ability of the charity to operate throughout the period of the virus. However with flexible working, discussions with funders and use of the Government's job retention scheme the charity has managed to work effectively through this situation. Again the resulting merger will hopefully increase the stability and security of the charity moving forward. There are no other material uncertainties about the charity's ability to continue, therefore, the accounts have been prepared on a going concern basis.

c) *Grants and other income*

Donations and legacies including grants that provide core funding or are of a general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

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

Incoming resources from tax reclaims are included in the statement of financial activities at the same time as the gift to which they relate.

Investment and rental income is recognised on a receivable basis.

Income from commercial trading activities is recognised on a recoverable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category includes income received specifically for project activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income is deferred when project funding is received in advance of expenditure being incurred on the various projects where delivery of the project gives the Trust entitlement to the income.

d) *Funds*

Unrestricted funds are those which are available for use at the discretion of the Board of Trustees in furtherance of the general objectives of the charity.

Restricted Funds - Roch Valley Primrose Hill Farm Heywood

Roch Valley is a site of biological importance and is part of the wider green corridor following the River Roch through the heart of Rochdale. It is nestled between Queens Park and Springfield Park and is a remote haven for wildlife. Roch Valley consists of a lowland hay meadow adjacent to the river with

Groundwork Greater Manchester

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

scattered trees and hedgerows across the site.

Groundwork bought the site from Julie Goodyear on 30th May 2014 using funds provided by RMBC via a local S106 agreement and the purchase included an £100,000 endowment for Groundwork to maintain and develop the land in the future and we have since developed the space into a valuable community amenity. Endowment funds left to date £65,257.

e) Expenditure and irrecoverable VAT

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of raising funds are the costs associated with attracting voluntary income.

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

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

f) Allocation of support costs

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

g) Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

The trustees have a policy of periodically reviewing fixed assets for impairment over and above their carrying value. Any reductions in the net book value of impaired fixed assets are treated as additional depreciation charges, which are reported within the appropriate resources expended section of the Statement of Financial Activities. Assets under construction are not depreciated until completed.

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

Land and Buildings	2% per annum using the straight line method
Ecology Park Main Building	10% per annum using the straight line method
Fixtures, Fitting and Equipment	25% per annum using the straight line method
Motor Vehicles	25% per annum using the straight line method

h) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

i) Cash at hand and in bank

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.

j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past

Groundwork Greater Manchester

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

k) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

l) Pensions

The charity is a member of a multi-employer scheme (Greater Manchester Pension Fund) for employees in service on 1 June 2008. The assets of the scheme are held separately from those of the trust. The regular cost of providing pension and related benefits is charged to the statement of financial activities over the employees' service lives on the basis of a constant percentage of earnings.

The charity also operates two defined contribution pension schemes for employees joining after 1 June 2008. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

2 Legal status of the Trust

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation. The charity is incorporated in the United Kingdom and its registered address is: Trafford Ecology Park, Lake Rd, Manchester, M17 1TU.

3 Income from donations and legacies

	2021 Unrestricted	2021 Total	2020 Unrestricted and Total
	£	£	£
Miscellaneous Income	10,247	10,247	3,443
Support Income	11,165	11,165	26,546
In Kind Income	-	-	-
Furlough Income	478,220	478,220	15,735
	<u>499,632</u>	<u>499,632</u>	<u>45,724</u>
	Unrestricted	Restricted	Total
Exceptional Income on combination– Transfer of opening balances on merger – 7 Aug 2020	15,591	67,257	82,848

On 7 August 2020, there was a transfer of undertakings from Groundwork Bury, Bolton, Oldham and Rochdale ('Groundwork BBOR') into the company and the excess of fair value of the assets acquired over the fair value of the liabilities assumed from Groundwork BBOR has been recognised as exceptional income.

Groundwork Greater Manchester

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

4 Investment income

	2021 Unrestricted	2021 Total	2020 Unrestricted and Total
	£	£	£
Bank interest	1,388	1,388	2,526
Rental income	35,561	35,561	72,916
	<u>36,949</u>	<u>36,949</u>	<u>75,442</u>

5 Cost of generating funds

	2021 Unrestricted	2021 Total	2020 Unrestricted and Total
	£	£	£
Marketing Costs	26,204	26,204	17,150
	<u>26,204</u>	<u>26,204</u>	<u>17,150</u>

6 Charitable activities

	Direct Costs	Employment Costs	Governance Costs (note 7)	Support & Other Costs	Total 2021	Total 2020
	£	£	£	£	£	£
Analysis of expenditure on charitable activities						
Land Design and Build.	333,008	342,256	3,841	43,469	722,574	345,607
Community Engagement & Youth.	315,641	450,134	4,446	50,311	820,532	813,024
Training and Coaching for Employment.	548,459	782,893	8,003	90,560	1,429,915	952,993
Sustainable Business/ Energyworks	120,206	210,652	2,419	27,369	360,646	223,416
	<u>1,317,314</u>	<u>1,785,935</u>	<u>18,709</u>	<u>211,709</u>	<u>3,333,667</u>	<u>2,335,040</u>

Note: Support and other costs are allocated on a % head count based on the members of staff in that area. These include administration, accommodation, transport, depreciation and communication costs.

Groundwork Greater Manchester

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

7 Governance costs

	2021 Unrestricted	2021 Total	2020 Unrestricted and Total
	£	£	£
Legal and professional	9,448	9,448	30,015
Audit and accountancy fees	9,260	9,260	8,100
	<u>18,708</u>	<u>18,708</u>	<u>38,115</u>

Governance costs are apportioned into Note 6 based on staff numbers per area

8 Employees

The average number of employees during the year, analysed by category, was as follows.

	2021 Headcount	2020 Headcount	2021 FTE	2020 FTE
Direct charitable	53	30	50	28
Management and administration	2	5	2	5
Fundraising and publicity	6	2	6	2
	<u>61</u>	<u>37</u>	<u>58</u>	<u>35</u>

The aggregated cost of these persons was as follows:

	2021 £	2020 £
Wages and salaries	1,559,757	955,543
Social security costs	130,747	91,363
Pension costs (see note 15)	93,923	65,453
	<u>1,784,427</u>	<u>1,112,359</u>

The emoluments of employees (excluding pension contributions) over £60,000 per annum are as follows:

	2021 £	2020 £
£60,000 - £70,000	-	1
£70,000 - £80,000	-	-
£80,000 - £90,000	1	1
	<u>1</u>	<u>1</u>

Total contributions under defined contribution schemes on behalf of these were £1,751 (2020 - £5,992).

Payments made to Key Management Personnel amounted to £214,059 (2020: £214,776).

These payments were to the executive officers only. No amounts were paid to Trustees

Groundwork Greater Manchester

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

9 Transactions with Trustees

No Trustees received any remuneration or expenses for services performed on behalf of the trust.

10 Net incoming resources

	2021 £	2020 £
Net incoming resources for the year is stated after charging:		
Audit of the charity's annual accounts	8,750	8,150
Depreciation	57,653	48,197

11 Tangible assets

	Freehold Interest in Land and Buildings £	Ecology Park Main Building £	Ecology Park Timber Building £	Motor Vehicles £	Office and Computer Equipment £	Total £
<i>Cost</i>						
At 1 April 2020	607,018	125,993	359,115	45,138	172,865	1,310,129
Additions	-	-	19,937	59,275	25,249	79,212
B/F from BBOR					25,249	25,249
Disposals	-	-	-	(31,389)	-	(31,389)
At 31 March 2021	607,018	125,993	379,052	73,025	198,114	1,383,202
<i>Depreciation</i>						
At 1 April 2020	53,990	76,897	-	27,537	136,155	294,579
Eliminated on disposals	-	-	-	(19,724)	-	(19,724)
Charged for the year	12,140	12,599	-	12,159	23,702	60,600
B/F from BBOR					13,584	13,584
At 31 March 2021	66,130	89,496	-	19,972	173,441	349,039
Net Book Value						
At 31 March 2021	540,888	36,497	379,052	53,053	24,673	1,034,163
Net Book Value						
At 31 March 2020	553,028	49,096	359,115	17,601	36,710	1,015,550

Note: Ecology Park Timber Building was completed at the end of year.

Note: Assets transferred from the Merger with BBOR have been included in the accounts as per Brought forward lines above (B/F from BBOR)

Groundwork Greater Manchester

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

12 Debtors

	2021 £	2020 £
Trade debtors	505,856	317,090
Prepayments and accrued income	367,524	125,852
	<u>873,380</u>	<u>442,942</u>

13 Creditors

	2021 £	2020 £
Trade creditors	112,818	172,552
Other creditors	386,274	65,481
Accruals	100,040	153,118
Deferred Income	813,575	159,245
Taxation and social security	139,662	56,926
	<u>1,552,369</u>	<u>607,322</u>

14 Greater Manchester Pension Scheme

The scheme available to staff in service on 1 June 2008 was the Greater Manchester Pension Fund (GMPF). The GMPF is a final salary defined benefit scheme, the assets of Groundwork Greater Manchester are pooled with similar institutions for actuarial valuation purposes. The pension contributions made by Groundwork GM to the scheme for the year ended 31 March 2021 were £45,852 (2020 - £43,581). The agreed employer contribution rate was 24.4% for the period April 2019 to March 2020, 24.7% for the period April 2020 to March 2021, 25.1% for April 2021 to March 2022 and 25.4% for April 2022 to March 2023

In the event of any deficit, the trust would be liable for its proportionate share of any shortfall. As stated below, at the last actuarial valuation funding stood at 102%.

The pension cost is assessed every three years in accordance with the advice of an independent qualified actuary. The latest actuarial valuation of the scheme was at 31 March 2019. The assumptions and other data, used in the 2019 valuation, that have the most significant effect on the determination of the contribution levels are as follows:

Actuarial method	Projected unit method
Rate of increase in pensions	2.3% pa
Discount Rate	3.6% pa
Market value of the assets at the date of last valuation	£23.8 m
Value of Liabilities	£23.3m
Proportion of members' accrued benefits covered by the actuarial valuation	102%
Funding level change since last valuation	9% increase

Employees joining after 1 June 2008 have been entitled to join defined contribution pension schemes administered by AEGON and Peoples Pension.

Groundwork Greater Manchester

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

15 Related parties

As per Note 8 no other related party transactions have occurred in the period

16 Analysis of net assets at 31 March 2021

	Unrestricted Funds £	Restricted	Total Funds 2021 £	Total Fund 2020 £
Tangible fixed assets	1,034,163	--	1,034,163	1,015,551
Current assets	2,188,948	-	2,188,948	1,086,162
Creditors: amounts falling due within one year	(1,552,369)		(1,552,369)	(599,990)
	<u>1,670,742</u>		<u>1,670,742</u>	<u>1,501,723</u>

17 Analysis of funds

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £
At 1 April 2020	1,501,723	-	1,681,687	-
Incoming resources	3,461,633	67,257	2,172,126	-
Resources expended	(3,357,871)	(2,000)	(2,352,090)	-
Transfer between funds	-	-	-	-
At 31 March 2021	<u>1,605,485</u>	<u>65,257</u>	<u>1,501,723</u>	<u>-</u>

18 Capital Commitments

The Trust had no Capital Commitments at the end of March 2021 (2020 - £19,934)

19 Net Debt

Cash/Cash equivalents	At 1 Apr 20 £	Cash Flows £	Other non-cash Changes £	At 31 Mar 21 £
Cash	650,552	153,417	-	803,969
Overdrafts	-	-	-	-
Cash from merger	-	511,599		511,599
Total	650,552	665,016	-	1,315,568
Borrowings	-	-	-	-
Debt Due	-	-	-	-
Total	<u>650,552</u>	<u>665,016</u>	<u>-</u>	<u>1,315,568</u>

Groundwork Greater Manchester

Notes forming part of the financial statements for the year ended 31 March 2021 (*continued*)

Advisors

Auditors

Beever and Struthers
St George's House
215-219 Chester Road
Manchester
M15 4JE

Bankers

Santander Corporate Banking
298 Deansgate
Manchester
M3 4HH

Solicitors

Brabners
55 King Street
Manchester
M2 4LQ

The Board of Trustees

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

Nominated Trustees	Member	First appointed	Last appointed	Resigned
Tony Berry	Groundwork UK	June 2008	June 2020	
Sophie Taylor	Trafford MBC	July 2018		July 2021
Co-opted Trustees				
Keith Barnes	Co-opted	November 2008	November 2018	January 2021
Peter Styche	Co-opted	November 2016	November 2019	
Lisa Kean	Co-opted	November 2016	November 2019	
Katrina Cunliffe	Co-opted	May 2019		
John Bland	Co-opted	August 2020		
Howard Sykes	Co-opted	August 2020		
Ian Whittaker	Co-opted	August 2020		
Cllr Neil Reynolds	Co-opted	May 2018	May 2021	
Thomas Besford	Co-opted	August 2020		
Maureen Whilby	Co-opted	September 2021		
Tessa Wiley	Co-opted	September 2021		
Joanne Yates	Co-opted	November 2021		

Company Secretary

Gary Cunningham

Audit and Risk Committee

Peter Styche (Chair)

Howard Sykes (Vice-chair)

Tina Cunliffe

John Bland

Ian Whittaker

Tom Besford

Executive Director

Michael Ormerod

Key Management Personnel

Deborah Murray

Michael Ormerod

Gary Cunningham