

THE FEDERATION OF GROUNDWORK TRUSTS

England & Wales · Charity number 291558

Details

Other names GROUNDWORK FOUNDATION, GROUNDWORK UK

Status Registered

Legal form Charitable company

Company number [01900511](#)

Registered 1985-04-15

Register [View on the Charity Commission register](#)

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Activities

Objects: (1) TO PROMOTE THE CONSERVATION, PROTECTION AND IMPROVEMENT OF THE PHYSICAL AND NATURAL ENVIRONMENT ANYWHERE IN THE UK AND IN OTHER PARTS OF THE WORLD.(2) TO PROVIDE FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR RECREATION AND LEISURE TIME OCCUPATION WITH THE OBJECT OF IMPROVING THE CONDITIONS OF LIFE FOR THOSE LIVING OR WORKING ANYWHERE IN THE UNITED KINGDOM.(3) TO ADVANCE PUBLIC EDUCATION IN ENVIRONMENTAL MATTERS AND OTHER WAYS OF BETTER CONSERVING PROTECTING AND IMPROVING THE SAME WHERESOEVER.(4) TO PROMOTE FOR THE PUBLIC BENEFIT, URBAN OR RURAL REGENERATION IN AREAS OF SOCIAL AND ECONOMIC DEPRIVATION WITHIN THE UNITED KINGDOM.(5) TO PROMOTE SUSTAINABLE DEVELOPMENT FOR THE BENEFIT OF THE PUBLIC.(6) TO ADVANCE THE EDUCATION OF THE PUBLIC IN SUBJECTS RELATING TO SUSTAINABLE DEVELOPMENT AND THE PROTECTION, ENHANCEMENT AND REHABILITATION OF THE ENVIRONMENT.(7) TO PROMOTE THE EFFICIENCY AND EFFECTIVENESS OF CHARITIES IN THE DIRECT FURTHERANCE OF THEIR OBJECTS BY THE PROVISION OF INFORMATION, ADVICE AND ASSISTANCE.(8) 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.FOR FULL DETAILS OF THE OBJECTS SEE CLAUSE 3 OF THE MEMORANDUM OF ASSOCIATION.

Activities: Groundwork supports communities in need, working with partners to help improve the quality of peoples lives, their prospects and potential and the places where they live, work and play. 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.

Classification

- **How:** Makes Grants To Organisations, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** WORLDWIDE
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£48,741,167	£45,733,295	£7,014,087	57
2024-03-31	£21,306,994	£22,625,010	£4,038,816	54
2023-03-31	£22,764,119	£22,973,514	£5,237,556	51
2022-03-31	£21,673,554	£21,646,752	£5,608,471	51
2021-03-31	£24,356,156	£22,432,320	£5,524,177	43

Trustees

Name	Role	Appointed
Alison Fellows		2026-05-08
Andrew Thompson		2025-03-13
Anne-Marie Simpson		2019-12-12
Antony Nelson		2019-03-13
Faiza Amin		2019-09-16
Gail Chapman		2026-05-08
Jack White		2019-09-16
John Hunt		2026-05-07
KAREN BALMER		2022-09-19
Nigel Reader		2021-07-21
Oona Muirhead		2024-06-21
Paul Roots		2019-03-13
Philip Bibby		2026-05-08
Randip Thompson		2026-05-26
SARAH CLARKE		2025-01-31
Sian Broadhurst		2026-05-08
Tom Besford		2026-05-07

THE FEDERATION OF GROUNDWORK TRUSTS

England & Wales - Charity number 291558

Accounts

2024/25



The Federation Of Groundwork Trusts

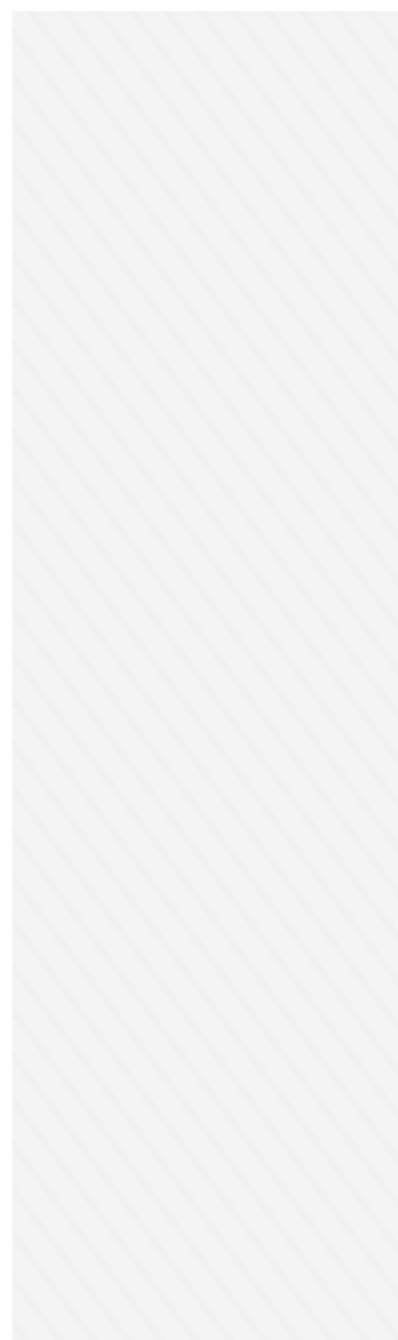
(Operating as Groundwork UK)

Annual Report and Financial Statements



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About Groundwork UK

Groundwork is a federation of charities supporting practical action to create a fair and green future in which people, places and nature thrive.

What this means in practice is delivering green homes, green jobs and green communities: creating and maintaining biodiverse, accessible green spaces; helping people find work that benefits the environment; reducing the waste of energy, food and water; supporting businesses to be more successful and responsible; and empowering communities to take action to improve their health and wellbeing while tackling climate change and promoting nature recovery.

Groundwork UK is the central body of Groundwork, responsible for the brand, systems and agreements that hold the federation together. We add value to Groundwork's local activities by building the organisation's profile, developing strategic relationships with partners and funders, managing programmes of local Groundwork delivery and furthering Groundwork's mission by distributing grants to other charities and community groups on behalf of public bodies and private businesses. We act as Groundwork's national voice in the outside world and help all parts of Groundwork gain the benefits of being in a federation by providing opportunities to collaborate, share ideas and capacity and learn from good practice.

This report outlines the activity, priorities and financial position of Groundwork UK and how it contributes to Groundwork's collective achievements and impact, more details of which can be found at www.groundwork.org.uk.



Chair's Statement

My first year as Chair of the Groundwork Federation Board has flown by and been full of stimulation. Travelling around the country to see the results on the ground of the hard work done by trustees, leaders and staff teams from Groundwork Trusts, I have been struck by the passion to improve the circumstances of the people and communities they serve, and by their inventiveness in building partnerships and finding the resources to turn ideas into action.


Our work together as a federation over the last 12 months has been positive and purposeful. It has helped all parts of Groundwork to drive forward our collective priorities for action to help our beneficiaries and to support each other so that we have the strength and resilience to flourish within what is undoubtedly a challenging political and funding context.

It's been great to see the expansion of our support to families struggling with the cost of energy through the Green Doctor service, thanks to partners such as the Cadent Foundation, and the growth of our green community hub network. We have committed to a new strategic plan to expand our work supporting people-led nature recovery and have continued to work with partners to identify new ways of helping young people find their way into green jobs.

This has been complemented by our national grant programmes helping schools, community organisations and local charities expand their services and deliver new projects with the help of funding partners including Tesco, Bupa Foundation, HS2, Comic Relief and People's Postcode Lottery. We know how much smaller charities have been impacted by rising costs, reducing their capacity to do valuable work in their communities, so it's been a privilege to be able to support more than 1,000 organisations to improve their energy efficiency through funds provided by DCMS

When society seems increasingly fractured, Groundwork's founding principle that we should help people and communities come together to improve their economic prospects and their physical and natural surroundings has never been more important. Looking to the future we have clear plans in place to deepen our impact in communities by expanding the reach of our services and building new cross-sector partnerships to drive innovation.

I'd like to thank my fellow trustees for giving their time so generously and all of our funders and partners for helping us deliver greater impact in communities. As Groundwork enters its 45th year, it is in good shape to work with colleagues locally and nationally to support our ambitions for green homes, green jobs and green communities. If you think there's more we can do together we'd love to hear from you.



Oona Muirhead CBE,
Chair
18 September 2025

Governance

How we are organised and governed

Groundwork UK is a charity and a company limited by guarantee.¹ Its governing documents are its Memorandum and Articles of Association, which were last amended by written resolution on 6 December 2018.

Groundwork Trusts are company members of Groundwork UK. Groundwork Trusts are independent charities and companies sharing the same mission and similar objects to Groundwork UK but delivering in local areas across England, Wales and Northern Ireland. A membership agreement sets out our roles, relationships and behaviours and a federation strategy identifies the work we will do together to deepen our impact and strengthen our organisation.

Groundwork's Federation Board acts both as a forum for Groundwork Trusts to agree collective priorities and as the board of Groundwork UK in accordance with the Charities Act 2011. Members of the Federation Board are also the directors of the company in accordance with the Companies Act 2006. The majority of Federation Board members are nominated by the boards of Groundwork Trusts, with the remainder, including the Chair, recruited independently on account of their skills, experience or networks.

On appointment to the Board the induction process involves an introduction to the role and organisation by the Chair and the CEO

Those trustees of Groundwork UK who are also trustees of Groundwork Trusts are not considered to be related parties under the definition of the SORP and transactions between Groundwork UK and Groundwork Trusts do not require separate disclosure. Groundwork UK has considered the other disclosure requirements of the SORP and believes that there are no other related party transactions.

Our trustees are responsible for ensuring Groundwork UK is an effective and efficient organisation with appropriate systems, processes and policies in place in relation to the management of funds, programmes, communications and risk.

The work of the Board is supported by three sub-committees:

- > **Programmes & Partnerships** - overseeing the development and management of our grant and local delivery programmes and supporting our work in relation to positioning, communications and fundraising
- > **Finance & Risk** - overseeing our financial management and audit processes, ensuring key risks are mitigated and advising on remuneration
- > **Chairs' Committee** - making urgent decisions between board meetings and assisting with appointments to the Board and recruitment and management of the Chief Executive.

¹ Groundwork UK is the operating name of the Federation of Groundwork Trusts. We will be changing our registered name to Groundwork UK during 2025/26 to reflect commonly used titles.

Decision-making powers of all committees are reflected in a Scheme of Delegation agreed by the Federation Board.

The Board is also supported by a **Federation Executive Team**, comprising the executive leaders of Groundwork Trusts, providing insight on local delivery and risks and driving collective action plans to deliver the objectives in the Groundwork federation strategy.

As a charity committed to supporting young people to play an active role in their communities, we want to ensure that our strategic decision-making and operational plans are informed by the views of young people. **Our Youth Advisory Board** acts as a sounding board for our internal teams and provides a platform for building and supporting a wider network of young people to improve their own lives and neighbourhoods. We also seek regular feedback from community groups we support through our grant programmes, and from other partners and stakeholders to ensure our plans respond to the needs of those they're designed to benefit.

Groundwork UK's Management Team is led by the Chief Executive and includes senior staff members responsible for financial management and corporate services, partnerships and fundraising, policy and communications, grant management and delivery and learning.

Remuneration of key management personnel and all staff is advised upon by the Finance & Risk Committee and subject to Board approval.

Our commitments

The Board is committed to the principles of good governance set out in the Charity Commission Governance Code and all boards within Groundwork regularly review their performance against this framework.

Our federation strategy sets out the principles which underpin all of our work.

- > **We work where there is most need and we can have most impact** – prioritising our resources and building partnerships so that we can bring about lasting change.
- > **We listen to local voices and empower people** – ensuring our work is shaped by those it is designed to benefit and strengthens community assets and infrastructure.
- > **We embed equity and inclusion in everything we do** – addressing injustice and seeking out a diversity of viewpoints, both in the work we do and the people we employ.
- > **We learn from local practice to promote wider change** – sharing the lessons from our work so that we can influence policy and contribute to system change.
- > **We are collaborative and innovative** – forging strong partnerships and working with others to develop new ways of working and achieve greater impact.
- > **We are environmental exemplars** – championing practical action to combat the climate and nature emergencies and measuring and reducing our own environmental impact.

The Groundwork UK staff team has agreed a set of values to inform the way it works and behaves. We are collaborative, responsive, focused on impact and fairness. These values are tested in our recruitment processes and embedded in our arrangements for performance management and reward and recognition.

The Groundwork UK staff team has agreed a set of values to inform the way it works and behaves. We aim to be collaborative and responsive, and prioritise impact and fairness. These values are tested in our recruitment processes and embedded in our arrangements for performance management and reward and recognition.

Our decisions, actions and operations are guided by our sustainable development policy, which sets out how we will contribute to creating a strong and just society living within environmental limits, and how we will monitor and manage our own environmental impact. This is complemented by an annually updated carbon reduction plan setting out the practical steps we will take to minimise emissions.

We have a Groundwork-wide commitment to effective safeguarding and comprehensive complaints and whistleblowing procedures. We provide equal access to our services regardless of people's backgrounds, circumstances or characteristics, monitor levels of diversity within our staff team and board to ensure they reflect the communities of which we are a part and regularly gather feedback from colleagues about our culture, recruitment processes and employment practices to ensure they are inclusive.

Our commitments to safeguarding, EDI and sustainability apply not just to our own organisation, but to the organisations we support through our programmes and grants, with standards and guidance embedded in due diligence, monitoring and feedback processes.

Groundwork UK is registered with the Fundraising Regulator and complies with all relevant codes of practice. All of our fundraising is managed internally and we do not employ commercial participators or professional third-party fundraisers.

More information about our approach and commitments can be found here - [Our approach and commitments - Groundwork](#)

Objectives and public benefit

Groundwork UK is a public benefit entity, whose primary objective is to provide goods or services for the general public or social benefit and where any risk capital has been provided with a view to supporting that primary objective rather than with a view to a financial return to its members

Groundwork UK's charitable objectives are set down in its Memorandum of Association. They commit Groundwork UK to delivering and promoting **regeneration** and **sustainable development** as follows.

To conserve, protect and **improve the physical and natural environment** anywhere in the United Kingdom and Republic of Ireland.

- > To **improve quality of life** by providing welfare, recreation or leisure facilities.
- > To advance public **education in environmental matters**.
- > To promote **urban or rural regeneration** in areas of social and economic deprivation through:
 - > the relief of poverty and unemployment
 - > providing education, training or work experience for people who are unemployed
 - > delivering financial assistance, technical assistance, business advice or consultancy in order to help people get back to work
 - > creating training and employment opportunities by providing work space, buildings and land
 - > maintaining or improving public amenities such as footpaths and cycle ways
 - > the preservation of buildings or sites of historic or architectural importance
 - > reclaiming derelict land for use as open space
 - > providing public health facilities and schemes to promote healthier living
 - > alleviating anti-social behaviour and supporting crime prevention.
- > To promote **sustainable development** for the benefit of the public by:
 - > preserving, conserving and protecting the environment
 - > promoting the prudent use of natural resources
 - > improving quality of life in socially and economically disadvantaged communities
 - > promoting sustainable means of achieving economic and social growth and regeneration
 - > educating the public in how to protect and improve the environment.
- > To promote the **efficiency and effectiveness of charities** in helping them deliver their objectives by providing information, advice and assistance.

Groundwork UK's trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the organisation's objectives and planning future activities. In particular, the trustees consider how planned activities will contribute to the charitable objectives set out above.

Strategic Report for the year ended 31 March 2025

The Board of Trustees presents its report for the year ended 31 March 2025. This includes:

- > Page 3 An introduction to our organisation
- > Page 5-8 Our governance and objectives
- > Page 9-22 Our financial and operational review for the year
- > Page 13 Our plans for the future
- > Page 52-54 Details of our trustees, senior staff and advisers

1. Performance overview

The last year has been one of significant challenge but great success for Groundwork UK. We have extended some major funding programmes delivering a wide range of impacts in local communities, successfully completed a number of funded initiatives which have generated considerable learning and built exciting new relationships which will strengthen our ability to meet the needs of our beneficiaries.

Delivering impact in communities

Our aim at Groundwork UK is to support Groundwork's mission to deliver green homes, green jobs and green communities by adding value to the activities of Groundwork Trusts and by distributing grants to local charities and community organisations in conjunction with national funding partners.

Supporting Groundwork's local Green Doctor programmes to help people trapped in fuel poverty continues to be a major part of our work. Our national relationship with the Cadent Foundation continues to strengthen, and this has been accompanied by the development of our collaboration with British Gas as part of the Warm Homes Discount Industry Initiative and ongoing support from the Ofgem Energy Redress Scheme. Last year these and other programmes helped Groundwork Trusts support 19,000 households, providing advice and fitting measures with the potential to generate more than £4m in financial savings.

With our Trusts we have been exploring new ways of sustaining and developing our Green Doctor service, raising public funds through a Radio 4 appeal and identifying opportunities to connect our delivery into government-funded programmes focused on upgrading homes with renewable technologies.

As well as supporting householders, our relationship with DCMS has allowed us to bring the benefits of improved energy efficiency to more than 1,000 local organisations delivering projects and services to help communities impacted by cost-of-living pressures. We have worked closely with partners Locality, CSE, Energy Saving Trust and Social Investment Business to provide independent energy assessments and more than 320 grants for capital improvements. Distributing nearly £20m in grant funding in a very compressed timescale has been a significant challenge in terms of planning and resources but has enabled us to develop new ways of working that will be of benefit to future programmes.

Giving children and young people a strong start in life is the focus of the work we deliver with Tesco, which continues to grow in scale and reach. Last year this included working with partners to help manage a new Fruit & Veg for Schools scheme helping 400 schools in disadvantaged areas buy food to ensure children are healthy and ready to learn.

We are helping community organisations create healthier environments through our Green Community Grants programme supported by the Bupa Foundation, which has been renewed for a further year. We have also been pleased to extend our relationships with Comic Relief and People's Postcode Lottery, acting as their intermediary funders in England to ensure funds are available to smaller organisations.

Since beginning our work as HS2's independent grant manager we have now distributed more than 360 grants totalling c£20m with new habitats for nature and new facilities for communities being created along the length of the London-Birmingham route. This work continues to be well received despite the political uncertainty surrounding the wider HS2 project.

2024/25 saw the completion of several major grant programmes delivered on behalf of central government. After 10 years working in partnership with Locality, we delivered our last grants to groups involved in the MHCLG Neighbourhood Planning programme. We also completed programmes which have helped the Home Office fund projects as part of its Prevent strategy and helped DCMS improve the capacity and reach of uniformed youth organisations. Alongside this we successfully completed delivery of our programme in West Yorkshire supported by the UK Shared Prosperity Fund, funding more than 90 organisations to support around 2,000 people to improve their skills and employability.

The year also saw the culmination of New to Nature, our joint initiative with the National Lottery Heritage Fund to help nearly 100 young people from under-represented backgrounds to benefit from a year's work experience with a nature organisation. We are now focused on using the learning the programme has generated to inform more ambitious plans for helping young people find pathways into the green economy.

The completion of these programmes and the changing nature of government grant giving will require us to remodel our resources and develop and promote a renewed offer to partners and funders, drawing on our deep insight into the needs of community organisations and our ability to connect efficient national systems with local face-to-face support.

We continue to benefit hugely from business partnerships, which allow us to test new ways of working – as we have done with Impax Asset Management, helping young people access green careers, and Unity Trust Bank through a pilot focused on helping charities to improve their energy efficiency and think about carbon reduction. Alongside this we have welcomed more than 2,000 volunteers from a range of businesses – from Centrica to Sopra Steria – providing valuable extra hands to deliver practical improvements to green spaces in local communities. During the year we have developed a new biodiversity impact measurement tool, which will enable us to help companies report the environmental benefit delivered from this work alongside the outcomes for their employees and for communities.

Our work in 2024/25 helped the whole Groundwork federation generate c£120m to deliver projects, programmes and services that improve people's prospects, create better places and protect the planet.

This has included:

- > improving more than 950 green spaces and planting 36,500 trees
- > helping 58,000 people identify savings on their utility bills to the value of nearly £6m
- > supporting 12,800 people to progress into employment, education or training
- > helping households and businesses save in the region of 119,000 tonnes of carbon emissions
- > helping funders distribute 12,000 grants to community organisations to a value of £52.7m.

While our work is primarily focused on driving project delivery at community level, we continue to lead and support activities which share the learning from this local delivery with national and regional policymakers. We have fed the data and insights generated by our Green Doctors into campaigns to combat fuel poverty and to influence the design of the Government's Warm Homes Plan. We have also supported the work of the Independent Commission on Neighbourhoods, which has directly influenced the Government's approach to funding regeneration activity. We have continued to work with New Philanthropy Capital on the Everyone's Environment campaign, and with the National Trust on the development and launch of the Nature Towns and Cities initiative.

Improving our organisation

Our work to support collaboration and quality within the Groundwork federation remains important to us. Key areas of focus in the last year have been working with senior leaders to develop new training resources and accreditation opportunities for community practitioners and developing a shared plan to progress our ambitions in relation to green skills and jobs.

We have also taken a lead in ensuring the whole of Groundwork lives up to our collective commitment to be 'environmental exemplars', providing support to ensure all Groundwork Trusts have a clear and measurable carbon reduction plan in place and prioritising the development of programmes that contribute to nature recovery.

Groundwork UK's own carbon footprint for 2024/25 was 27.6 tonnes of CO2 equivalent, unchanged from last year. Our carbon reduction plan commits us to promoting more sustainable behaviours within our staff team, particularly in relation to travel and homeworking arrangements to help meet the federation target of halving our collective emissions from our 2019/20 baseline by 2035.

Our people management metrics remain positive with high levels of commitment and satisfaction within the staff team and low levels of absence and staff turnover. Our People Plan is focused on ensuring we are pro-actively supporting our colleagues to develop and progress in their roles and identifying ways to help teams cope with challenging workloads.

Our EDI working group continues to deliver a programme of training and awareness raising activities informed by team-wide surveys and a self-assessment process. We capture and monitor data on the diversity of our staff team and trustees and continue to support the RACE Report, ensuring there is transparency around racial diversity in the environmental sector.

Groundwork UK's gender pay gap stands at 28% (2024: 24%). With the highest earner removed the pay gap is 13%. We continue to address this by providing flexible working arrangements and prioritising internal development opportunities. 31% of all posts recruited over the last three years were filled by an internal candidate progressing into a higher paid role and last year 6 out of 10 team members benefiting from our reward and recognition process were female.

Analysis of all recruitment exercises undertaken in the last three years shows that:

- > 60% of applicants for posts offered by Groundwork UK were women and 83% of those recruited were women
- > 45% of applicants for posts identified as non-white British with 37% of those recruited identifying as non-white British.

2. Our plans for the future

Groundwork UK's plans for the future have been shaped and informed by a number of trends impacting on the policy and funding landscape within which we operate.

- > The Labour government has adopted a more positive and pro-active tone towards the voluntary sector, enshrined in a 'civil society covenant', and has launched a number of new strategies of relevance to Groundwork, including a national youth strategy and a consultation on access to nature.
- > Beneath this rhetoric, however, the financial context remains challenging with public spending constrained in areas of significant importance to Groundwork. This is exacerbated by world events leading to public funds being diverted for defence and security.
- > The National Lottery Heritage Fund and Community Fund are both working to strategies which have a lot of cross-over with Groundwork's priorities, and relationships with both organisations are strong, leading to new opportunities for partnership working.
- > National businesses continue to prioritise climate and nature in their ESG goals, though the tough economic climate is making it difficult for some to translate that into investment, and there is evidence some global businesses may be scaling back their ambition, influenced by the tone of debate on social and environmental issues.
- > Social value is now embedded as a principle in public sector procurement leading to new opportunities for engaging with businesses tendering for public contracts.
- > An ongoing commitment to devolution means that increasing amounts of public spending are being routed through mayors and combined authorities, bringing additional complexity in terms of stakeholder management.
- > Advances in technology and the use of AI will require Groundwork UK to adapt its systems and approaches in order to stay competitive, particularly in the field of grant management.
- > Political and social polarisation on issues such as net zero and EDI may mean that Groundwork is operating in more contested territory with potential financial and reputational impacts.

How we respond to these opportunities and pressures is also influenced by the ongoing development of the Groundwork federation.

- > The finances, structure and governance of the federation are, in the main, strong and stable, though Groundwork's collective resilience will be tested by spending reductions and political change, in particular within local government.
- > Levels of collaboration within the federation are high, leading to widespread sharing of delivery models and management approaches and significant cross-boundary working.
- > The winding down of some strategic funding streams, such as the UK Shared Prosperity Fund, will require some parts of the federation to adjust and find other routes to support delivery, particularly in relation to employment and skills provision.
- > There is a clear drive within the federation to collaborate on the development and delivery of collective action plans linked to goals in our federation strategy and aimed at opening up new funding streams and investment models.
- > Delivering our strategic priorities will require coordination and leadership, with an expectation that Groundwork UK invests in capacity which can be deployed on behalf of the federation.
- > The federation is becoming better connected and more secure in terms of its use of systems and technology, but there is more work to do to maximise the benefit of data and minimise risk in relation to cybersecurity.

Groundwork UK's strategy and priorities

In order to ensure Groundwork UK's activities are fully aligned with the needs and expectations of the federation, our future plans are clearly and explicitly driven by Groundwork's 2028 strategy for collective action.

Groundwork UK's purpose, in line with the federation strategy, is to deliver practical action to create a fair and green future in which people, places and nature thrive, achieving this in three ways:

- > **helping people improve their prospects** - increasing confidence, skills, wellbeing and employability and helping those out of work find jobs in the green economy
- > **helping people create better places** - making communities greener, healthier and better prepared for the future and enabling people to work together to bring about change in their local area
- > **helping people protect the planet** - supporting people and businesses to reduce their carbon footprint, cut waste and take practical action to combat the climate and nature emergencies.

We have identified four objectives to take forward as a team to support delivery of the strategy. We will:

- > support Groundwork's local delivery through pro-active national programme development focused on green homes, green jobs and green communities
- > deliver Groundwork's mission by distributing grants to community organisations
- > drive programme development and fundraising by building our visibility and credibility through coordinated, story-led campaigns
- > build Groundwork's reputation, income and impact by facilitating networking, learning and innovation across the federation.

Our progress against these objectives will be reported quarterly to:

- > the Federation Executive Team - to ensure that we are meeting the expectations of our federation members
- > our Federation Board, through its Programmes & Partnerships and Finance & Risk committees - who are responsible for ensuring Groundwork UK is a robust, high performing organisation
- > our staff team - so that everyone in the organisation can see the contribution they make to delivering our plans and the Groundwork strategy.

We will track core sets of data to help us manage our organisation and ensure we are meeting the needs of our beneficiaries and other stakeholders, including:

- > the impact of our local delivery and grant programmes, and their performance against KPIs agreed with funders and partners
- > the reach and impact of our communications activity through PR, social media, digital marketing and policy networking
- > levels of engagement and satisfaction with our programmes of internal networking, learning and collaboration
- > the financial performance of our organisation, ensuring that we can invest in the resources we need to deliver our mission and support the federation.

3. Financial results

Our long-term financial strategy is unchanged. We aim to maximise the resources available for local delivery (by minimising our costs and generating income), while maintaining the capacity we need to operate effectively and safely. Achieving a surplus position at the end of the year ensures we maintain sufficient reserves to sustain our charitable operations while being able to invest in activities that benefit the federation.

Incoming resources for 2024/25 totalled £48.7 million (2024: £21.3 million). Our organisational turnover is heavily influenced by the volume of grants we distribute on behalf of other funders and in the last 12 months we have been delivering a major programme for DCMS to distribute funding to community organisations to enable them to improve the energy efficiency of their buildings, which has generated a significant turnover increase. This was a short-term initiative and we expect turnover levels to return to more customary levels in future years.

These year-to-year fluctuations in grant funds are not considered to be the determining factor in our assessment of financial health. Our underlying trading performance resulted in an unrestricted surplus of £286k (2024: £81k), compared to a budget of break even. The final reported outturn includes a £33k decrease in the value of our investments.

In addition to this income, we received funds and distributed grants totalling £3.1 million, funds for which we are responsible as agent for the funder, but which are not included in our stated turnover.

3.1 Reserves

In line with our financial strategy, our trustees have agreed that we should aim to hold 12 months operating costs (c£3 million) in liquid reserves. These reserves help us to:

- > absorb short term setbacks such as loss or delays in funding
- > retain experienced staff in the event of there being funding gaps in between programmes
- > maintain working capital where programmes are retrospectively funded
- > invest in new functionality to improve our effectiveness, efficiency or income generation capability
- > set aside funds for capital assets such as ICT equipment.

Our reserves policy recognises the need to operate as a responsible charity, maintaining trust with our partners and the public by not generating surpluses for which there is no future requirement or that are used for purposes which are not directly connected to our charitable aims.

Our level of free liquid reserves at the end of 2024/25 is £3.1 million.

Our restricted funds - advance payments from funders pending completion of project work – stand at £3.9 million (2024: £1.2 million). These restricted funds can only be used in accordance with agreements reached with funders and do not form part of the general reserves that are under the control of the trustees. These funds will all be distributed during 2025/26.

3.2 Investments

The majority of the funds obtained by Groundwork UK are for the delivery of specified projects and are therefore restricted. These funds are mainly distributed to Groundwork Trusts and other delivery partners operating under contract or to third party organisations in the form of grants to support local community projects. Any funds that are built up in advance of expenditure are kept as liquid as possible, whilst making every effort to maximise returns.

Cash that is unrestricted in nature and is not required in the short term (regarded as six months) is considered for long-term investment. We invest these funds in an ethically responsible managed fund arrangement with Cazenove, which chooses investments having a positive impact on people and planet, with the long-term aim of guarding against the eroding effects of inflation by growing in line with the CPI and providing a reliable dividend income. In the last year, our investments reduced in value by £33k (1.6%) and delivered dividend income of £57k. All of these funds can be converted into cash without notice or penalty, should there be an immediate need for liquid funds.

3.3 Grant making policy

Groundwork UK delivers its mission primarily by distributing funds to Groundwork Trusts, other delivery partners and to community groups in the form of grants. Grants paid are accounted for as soon as award decisions are made. If an offer is conditional on events outside the grantee's control and it is possible (but not probable) that an outflow of economic benefits will arise, such amounts are recognised as contingent liabilities until the grant conditions are fulfilled. CPI and providing a reliable dividend income. In the last year, our investments reduced in value by £33k (1.6%) and delivered dividend income of £57k. All of these funds can be converted into cash without notice or penalty, should there be an immediate need for liquid funds.

3.4 Principal funding sources

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

- > **Private sector** - £15.8 million (2024: £12.3 million)
This includes funds provided by businesses and private foundations, including £8.9 million from Tesco to provide grants to schools and local community organisations, £1.8 million from the Cadent Foundation to support the delivery of Green Doctor programmes and £662k from the Bupa Foundation to help local groups improve community green spaces.
- > **Public sector** - £28.8 million (2024: £3.5 million)
This relates to funding secured from government departments and other public bodies to deliver programmes and services. In 2024/25 we have been managing the VCSE Energy Efficiency Scheme on behalf of DCMS, which has seen us distribute £18.3 million in grants to community organisations. Other major programmes have been delivered on behalf of MHCLG, Home Office and the West Yorkshire Combined Authority.
- > **Lottery and charitable foundations** - £3.7 million (2024: £5.1 million)
This includes £865k distributed to community groups on behalf of Comic Relief and the People's Postcode Lottery.



3.5 Expenditure on charitable objectives

Our expenditure in the year was directed towards the following charitable activities.

- > **Community grants** - £32.8 million (2024: £14.2 million)
Distributing funds on behalf of third parties to enable schools, community groups and local charities to deliver projects that improve local areas, tackle hardship and provide support to those who are vulnerable.
- > **Programme delivery** - £6.0 million (2024: £5.7 million)
Providing resources to support local delivery by Groundwork Trusts and other partner organisations through funded programmes to support green homes, green jobs and green communities.
- > **Programme management** - £1.6 million (2024: £1.4 million)
The costs of managing grant distribution and local delivery programmes, including reporting impact and generating learning from our delivery to improve practice and influence future policy.
- > **Fundraising and communications** - £471k (2024: £401k)
The cost of generating resources to support local delivery through campaigns, communications and bidding activities.
- > **Supporting our federation** - £131k (2024: £280k)
Providing support to enable Groundwork Trusts to communicate, share knowledge and collaborate to achieve greater impact.
- > **Running our organisation** - £625k (2024: £313k)
Ensuring Groundwork UK operates safely and efficiently with appropriate systems, quality standards and premises.

4. Risks and uncertainties

Our trustees are responsible for ensuring that Groundwork UK has processes and policies in place to identify and mitigate risks that might impact on the organisation's ability to operate safely and effectively.

Risk management is an integral part of the way in which Groundwork UK manages its programmes, partnership development and communications, with key risks discussed on a regular basis by managers.

The most significant organisational risks are discussed quarterly with our Finance & Risk Committee and shared with the Federation Board. This includes consideration of risks that arise in the wider federation which might bring reputational or financial consequences for Groundwork UK.

Given our role as a distributor of small grants to community organisations we are particularly conscious of the risk of fraud and undertake regular reviews of our due diligence and monitoring processes. The controls we have in place to prevent and mitigate fraud more generally are discussed with our trustees.

The most significant ongoing risks for which we have active mitigation strategies in place are as follows:

- an ICT failure or cybersecurity incident that leads to loss of data or capability leading to financial penalties and/or reputational damage – we use tried and tested commercial systems with full support and backup, undertake regular staff training and our data is housed within Microsoft's cloud environment, which provides an additional layer of protection
- changes in the political or policy environment which have a sudden and detrimental impact on our ability to secure resources or deliver our purpose – we actively monitor political events and have experience of adapting our messaging and delivery to ensure we can continue to address the needs of our beneficiaries
- the unexpected withdrawal or clawback of funding from a major partner arising from a failure to meet targets or comply with funding requirements or simply due to changed priorities – we prioritise customer service, receiving excellent stakeholder feedback, and our fundraising strategy is focused on diversifying our income base to mitigate reliance on a small number of funders
- a serious safeguarding, health and safety or fraud incident occurring on a programme managed by Groundwork UK and the impact this could have both on those involved and on our reputation – we undertake robust due diligence of grantees and delivery partners and have escalation processes in place to ensure any issues can be dealt with quickly.

Groundwork UK'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 fixed assets and working capital through retained reserves.

5. Statement of trustees' responsibilities

Our trustees are responsible for preparing Groundwork UK's Annual Report and Financial Statements in accordance with applicable law and regulations.

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

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

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

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

These financial statements are published on our website in accordance with UK legislation governing the preparation and dissemination of financial statements. The maintenance and integrity of the website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements published.

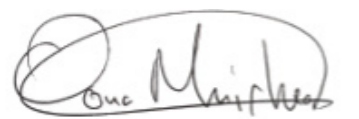
Events after the year end

There have been no material events after the year end to report.

Disclosure of information by the trustees to the auditor

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

Signed on behalf of the Board of Trustees



Oona Muirhead CBE, Chair
18 September 2025



Independent Auditor's Report to the Members of The Federation of Groundwork Trusts

Opinion

We have audited the financial statements of The Federation of Groundwork Trusts for the year ended 31 March 2025, which comprise statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- > give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 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; and
- > have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 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 the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; 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 21](#), 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.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

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 might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities,

including fraud, to be within the recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over income, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing 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, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, 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 non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)

For and on behalf of Crowe U.K. LLP, Statutory Auditor

Black Country House, Rounds Green Road, Oldbury, West Midlands B69 2DG

Date: 22 December 2025

Statement of Financial Activities

FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025		2025	2024
		Unrestricted funds	Restricted funds	Total	Total
		General	Designated		
		£	£	£	£
INCOME FROM					
Donations and legacies	2	68,212	-	68,212	24,397
Charitable activities	3	7,235,643	-	48,260,291	20,921,620
Other trading activities	2	150,945	-	150,945	150,928
Investments	2	261,719	-	261,719	210,049
Total		7,716,519	-	48,741,167	21,306,994
EXPENDITURE ON					
Raising funds	4	24,281	-	161,950	289,046
Charitable activities	5	7,264,975	161,205	45,571,345	22,335,964
Total		7,289,256	161,205	45,733,295	22,625,010
Surplus or (Deficit) on Trading		427,263	(161,205)	3,007,872	(1,318,016)
Net (losses) or gains on investment	11	(32,600)	-	(32,600)	119,276
Net income		394,663	(161,205)	2,975,272	(1,198,740)
Transfers between funds		(108,761)	108,761	-	-
Net movement in funds		285,902	(52,444)	2,741,814	(1,198,740)
RECONCILIATION OF FUNDS					
Fund balances brought forward	16	2,380,420	482,730	4,038,816	5,237,556
Fund balances carried forward	16	2,666,322	430,286	7,014,087	4,038,816

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 pages 31 to 51 form part of these financial statements.

Charity Balance Sheet

AT 31 MARCH 2025

Company registration number
01900511

	Note	2025	2024
		£	£
FIXED ASSETS			
Tangible assets	9	10,797	10,969
Investments	11	2,038,200	2,070,800
Investments in subsidiaries	10	3	3
		2,049,000	2,081,772
CURRENT ASSETS			
Debtors		7,251,071	9,288,605
Cash at bank	12	7,863,364	4,231,497
		15,114,435	13,520,102
Creditors: amounts falling due within one year	13	(10,129,348)	(11,553,058)
Net Current Assets		4,985,087	1,967,044
Total assets less current liabilities		7,034,087	4,048,816
Creditors: amounts falling due after one year	18	(20,000)	(10,000)
NET ASSETS		7,014,087	4,038,816
RESERVES			
Unrestricted - General	16	2,666,322	2,380,420
Designated	16	430,286	482,730
Restricted	16	3,917,479	1,175,666
		7,014,087	4,038,816

These financial statements were approved by the Board of Trustees and authorised for issue on 18 September 2025 and signed on its behalf by:



Oona Muirhead, Chair

18 September 2025

The notes pages 31 to 51 form part of these financial statements.

Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
CASH FLOW FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	21	3,379,292	(1,266,014)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interest and rents from investments		261,719	210,049
Purchase of fixed assets		(9,144)	(7,235)
NET CASH PROVIDED BY INVESTMENT ACTIVITIES		252,575	202,814
CASH FLOWS FROM FINANCING ACTIVITIES			
Change in cash and cash equivalents in the reporting period		3,631,867	(1,063,199)
Cash and cash equivalents at the beginning of the reporting period		4,231,497	5,294,696
Cash and cash equivalents at the end of the reporting period		7,863,364	4,231,497

Movement in Net Debt

At	1 April 2024 £	Cash flows £	31 March 2025 £
Cash at bank and in hand	4,231,497	3,631,867	7,863,364
Debt due within 1 year	-	-	-
Debt due over 1 year	-	-	-
	<u>4,231,497</u>	<u>3,631,867</u>	<u>7,863,364</u>

The notes on pages 31 to 51 form part of these financial statements.

Notes forming part of the financial statements

FOR THE YEAR ENDED 31 MARCH 2025

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 under the historical cost convention and comply with the Companies Act 2006. The financial statements have been prepared in accordance with applicable Accounting Standards and comply with the requirements of the Statement of Recommended Practice, "Charities SORP (FRS 102)".

The trustees and senior management consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The results of acquisitions are accounted for from the relevant date of acquisition under the acquisition method of accounting.

Accounting policies are supplemented by estimation techniques where judgement is required in measuring the value of income and expenditure and of assets and liabilities.

b) Grants and other income

Revenue and capital-based grants are credited to the statement of financial activities in the year in which they are received or become receivable under the terms of a grant agreement.

Where grants are considered to be performance related, income is recognised to the extent that the services outlined in the funding agreement had been performed by the year end. Where income has been received but the related services had not been performed by the year-end, the balance is carried forward as deferred income.

Donations are accounted for on a cash received basis. Rental income is recognised in the period to which it relates.

Incoming resources have been allocated between the key strategic areas of activity on a basis consistent with the allocation of expenditure (note 1(d)).

c) Grants payable

Grants offered to Groundwork Trusts and other organisations are typically paid in stages, with stage payments dependent upon the submission of claims detailing the work that has been completed. Claims which fall due within the year, which relate to work completed before the year-end, have been accrued for if they had not been paid during the year.

All grants payable relate to institutional grants paid to Groundwork Trusts, delivery partners and community groups.

The detailed breakdown of all grant payments is available on request from the charity's principal address.

d) Expenditure

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly allocated, they have been allocated to activities on a basis consistent with the use of resources.

Costs of raising funds relate to the cost of external promotion and publicity to raise the profile of the charity and its objectives and costs associated with bids for funding.

Direct costs of charitable activities are those costs, which have been expended on delivery programmes. Support costs have been allocated to the key strategic areas of activity on the basis of the percentage of staff time spent on each of these areas.

e) 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. The Board may, at its discretion, set aside unrestricted funds for specific future purposes and these are referred to as designated funds. Where such funds are no longer required for the intended purposes they are released back to general unrestricted reserves.

Restricted funds are those which can only be used for purposes specified by the donor, or which have been raised under the terms of a specific bid. Expenditure under the terms of the grant agreement is shown as restricted expenditure.

f) Depreciation

Tangible fixed assets are stated at cost less provision for depreciation. Depreciation is calculated so as to write off the cost less the estimated residual value of tangible fixed assets by equal annual instalments over their estimated useful economic lives as follows:

Leasehold buildings: 50 years

Office equipment: 4 years

Computer equipment: 3 years

g) Pensions

The company contributes to two defined contribution schemes. Contributions are charged to the statement of financial activities as they become payable.

h) Operating leases

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

i) Provisions

Provisions for future liabilities are recognised when the charity has a legal or constructive obligation that can be reliably estimated and for which there is an expectation that payment will be made.

j) Fixed asset investments

Investments held are valued at market value. Unrealised gains and losses on the revaluation of investments are recognised in the statement of financial activities.

k) Key judgements

Grant awards are recognised as soon as awards are made at grant panels.

l) Public Benefit Entity

The company is a public benefit entity, whose primary objective is to provide goods or services for the general public or social benefit and where any risk capital has been provided with a view to supporting that primary objective rather than with a view to a financial return to its members.

2. Incoming resources from generated funds

	2025 Unrestricted	2025 Designated	2025 Restricted	2025 Total
	£	£	£	£
VOLUNTARY INCOME				
Donations and gifts	68,212	-	-	68,212
	<u>68,212</u>	<u>-</u>	<u>-</u>	<u>68,212</u>
OTHER TRADING ACTIVITIES				
Membership Fee	150,000	-	-	150,000
Car Parking	945	-	-	945
	<u>150,945</u>	<u>-</u>	<u>-</u>	<u>150,945</u>
INVESTMENT INCOME				
Dividends	57,305	-	-	57,305
Bank interest	204,415	-	-	204,415
	<u>261,719</u>	<u>-</u>	<u>-</u>	<u>261,719</u>
	2024 Unrestricted	2024 Designated	2024 Restricted	2024 Total
	£	£	£	£
VOLUNTARY INCOME				
Donations and gifts	24,397	-	-	24,397
	<u>24,397</u>	<u>-</u>	<u>-</u>	<u>24,397</u>
OTHER TRADING ACTIVITIES				
Membership Fee	150,000	-	-	150,000
Car Parking	928	-	-	928
	<u>150,928</u>	<u>-</u>	<u>-</u>	<u>150,928</u>
INVESTMENT INCOME				
Dividends	65,113	-	-	65,113
Bank interest	144,936	-	-	144,936
	<u>210,049</u>	<u>-</u>	<u>-</u>	<u>210,049</u>

3. Incoming resources from charitable activities

	2025 Unrestricted	2025 Designated	2025 Restricted	2025 Total
	£	£	£	£
Income for project delivery was secured from the following sources:				
Central government	1,351,629	-	21,725,171	23,076,800
Local authorities	0	-	2,370,837	2,370,837
Public agencies	693,133	-	2,619,633	3,312,766
Private sector	4,679,421	-	11,145,787	15,825,208
National Lottery and charitable foundations	511,460	-	3,163,220	3,674,680
	<u>7,235,643</u>	<u>-</u>	<u>41,024,648</u>	<u>48,260,291</u>
Income was allocated to:				
Grant distribution	5,844,285	-	33,135,930	38,980,215
Programme delivery	946,687	-	5,367,523	6,314,210
Programme management	249,833	-	1,416,504	1,666,337
Federation support	20,770	-	117,761	138,531
Fundraising and communications	74,756	-	423,854	498,610
Running Groundwork UK	99,312	-	563,076	662,388
	<u>7,235,643</u>	<u>-</u>	<u>41,024,648</u>	<u>48,260,291</u>

Incoming resources from charitable activities (continued)

	2024 Unrestricted	2024 Designated	2024 Restricted	2024 Total
Income for project delivery was secured from the following sources:	£	£	£	£
Central government	587,851	-	138,485	726,336
Local authorities	28,071	-	17,613	45,684
Public agencies	441,362	-	2,286,895	2,728,257
Private sector	3,939,983	-	8,399,635	12,339,618
National Lottery and charitable foundations	494,815	-	4,586,910	5,081,725
	<u>5,492,082</u>	<u>-</u>	<u>15,429,538</u>	<u>20,921,620</u>
Income was allocated to:				
Grant distribution	3,500,101	-	9,833,237	13,333,338
Programme delivery	1,408,775	-	3,957,835	5,366,610
Programme management	338,724	-	951,617	1,290,341
Federation support	68,869	-	193,480	262,349
Fundraising and communications	98,729	-	277,372	376,101
Running Groundwork UK	76,884	-	215,997	292,881
	<u>5,492,082</u>	<u>-</u>	<u>15,429,538</u>	<u>20,921,620</u>

For definitions of the above categories, see section 3.5 of the strategic report

4. Cost of raising funds

	2025 Unrestricted	2025 Designated	2025 Restricted	2025 Total
	£	£	£	£
Staff costs	20,734	-	117,558	138,292
Other costs	3,547	-	20,111	23,658
	<u>24,281</u>	<u>-</u>	<u>137,669</u>	<u>161,950</u>
	2024 Unrestricted	2024 Designated	2024 Restricted	2024 Total
	£	£	£	£
Staff costs	65,658	-	184,459	250,117
Other costs	10,219	-	28,710	38,929
	<u>75,877</u>	<u>-</u>	<u>213,169</u>	<u>289,046</u>

5. Charitable activities

	2025 Unrestricted	2025 Designated	2025 Restricted	2025 Total
	£	£	£	£
Expenditure on projects related to the following activities:				
Grant Distribution	5,867,977	130,206	30,810,149	36,808,333
Programme delivery	950,524	21,091	4,990,782	5,962,397
Programme management	250,846	5,566	1,317,081	1,573,493
Federation support	20,854	463	109,496	130,812
Fundraising and communications	75,059	1,666	394,104	470,829
Running Groundwork UK	99,714	2,213	523,555	625,482
	<u>7,264,975</u>	<u>161,205</u>	<u>38,145,165</u>	<u>45,571,345</u>

	2025 Grants payable	2025 Other direct costs of activities	2025 Support costs	2025 Total
	£	£	£	£
Expenditure on projects comprised:				
Grant Distribution	32,803,709	3,057,017	947,606	36,808,332
Programme delivery	5,313,708	495,191	153,498	5,962,397
Programme management	1,402,302	130,682	40,509	1,573,493
Federation support	116,580	10,864	3,368	130,812
Fundraising and communications	419,605	39,103	12,121	470,829
Running Groundwork UK	557,431	51,948	16,103	625,482
	<u>40,613,335</u>	<u>3,784,805</u>	<u>1,173,205</u>	<u>45,571,345</u>

Charitable activities (continued)

	2024 Unrestricted	2024 Designated	2024 Restricted	2024 Total
	£	£	£	£
Expenditure on projects related to the following activities:				
Grant Distribution	3,644,095	31,986	10,558,617	14,234,698
Programme delivery	1,466,732	12,874	4,249,797	5,729,403
Programme management	352,659	3,095	1,021,816	1,377,570
Federation support	71,702	629	207,753	280,084
Fundraising and communications	102,791	902	297,833	401,526
Running Groundwork UK	80,048	704	231,931	312,683
	<u>5,718,027</u>	<u>50,190</u>	<u>16,567,747</u>	<u>22,335,964</u>

	2024 Grants payable	2024 Other direct costs of activities	2024 Support costs	2024 Total
	£	£	£	£
Expenditure on projects comprised:				
Grant Distribution	11,157,306	2,453,016	624,376	14,234,698
Programme delivery	4,490,767	987,328	251,308	5,729,403
Programme management	1,079,755	237,392	60,424	1,377,571
Federation support	219,533	48,266	12,285	280,084
Fundraising and communications	314,720	69,194	17,612	401,526
Running Groundwork UK	245,083	53,884	13,715	312,682
	<u>17,507,164</u>	<u>3,849,080</u>	<u>979,720</u>	<u>22,335,964</u>

Charitable activities (continued)

	Grants to institutions	Grants to individuals	Grant support costs	2025 Total
	£	£	£	£
Analysis of grants				
Creating better places	9,386,719	-	271,156	9,657,875
Improving peoples prospects	10,091,876	-	291,526	10,383,402
Promoting greener living and working	21,134,740	-	610,523	21,745,263
	<u>40,613,335</u>	<u>-</u>	<u>1,173,205</u>	<u>41,786,540</u>

There are no grants made to institutions which are material in the context of the grant making.

	Grants to institutions	Grants to individuals	Grant support costs	2024 Total
	£	£	£	£
Analysis of grants				
Creating better places	4,920,481	-	275,356	5,195,837
Improving peoples prospects	7,236,708	-	404,974	7,641,682
Promoting greener living and working	5,349,975	-	299,390	5,649,365
	<u>17,507,164</u>	<u>-</u>	<u>979,720</u>	<u>18,486,884</u>

Support costs are analysed as follows:

	2025	2024
	£	£
Staff costs	912,271	709,810
Temporary staff and recruitment	1,787	3,071
Legal and professional	36,708	33,062
Travel and subsistence	27,385	8,650
Training and meetings	24,422	17,783
IT support	48,214	90,800
Other costs	122,418	116,544
	<u>1,173,205</u>	<u>979,720</u>

6. Employees

	2025	2024
	Number	Number
The average monthly number of employees during the year was as follows:		
Programme management	39	37
Management and administration	5	5
Fundraising and communications	13	12
	<u>57</u>	<u>54</u>

	2025	2024
	£	£
The aggregated cost of these persons was as follows:		
Wages and salaries	1,930,759	1,758,417
Social security costs	198,166	177,050
Pension costs (see note 19)	299,641	289,556
	<u>2,428,566</u>	<u>2,225,023</u>

	2025	2024
	£	£
The emoluments of employees (excluding pension contributions) over £60,000 per annum are disclosed in £10,000 bands as follows:		
£60,000 - £70,000	2	2
£80,000 - £90,000	1	1
	<u>3</u>	<u>3</u>

The key senior management personnel of the charity are the Chief Executive Officer, Director of Finance and Corporate Services, Director of Partnerships and Programmes, Head of Contracts, Head of Policy and Communications and Head of Grants with a total cost in 2025 of £432,802 (2024 - £369,717)

Total contributions under defined contribution schemes on behalf of these higher paid employees in 2025 were £29,020 (2024 - £24,780)

7. Transactions with trustees

During the year ending 31st March 2025 6 trustees were reimbursed for travel costs amounting to £846 (2024 - 2 trustees £825 travel costs).

No Trustees received any remuneration during the year.

8. Net incoming resources

	2025	2024
	£	£
Net incoming resources for the year is stated after charging:		
Auditor's remuneration:		
Audit – company	18,600	17,385
Depreciation	9,317	16,381
	<u> </u>	<u> </u>

Premiums in 2025 £647 (2024: £699) were paid on a professional indemnity policy to protect the charity and trustees from loss arising from neglect or defaults of trustees.

9. Tangible assets

	Office equipment	Total
	£	£
COST OR VALUATION		
At 1 April 2024	78,450	78,450
Additions	9,145	9,145
	<u> </u>	<u> </u>
At 31 March 2025	87,595	87,595
DEPRECIATION		
At 1 April 2024	67,481	67,481
Charged for the year	9,317	9,317
	<u> </u>	<u> </u>
At 31 March 2025	76,798	76,798
NET BOOK VALUE		
At 31 March 2025	10,797	10,797
At 31 March 2024	10,969	10,969

10. Investments held as fixed assets

	Shares in subsidiary undertakings
	£
COST	
At 1 April 2024	3
Disposals	-
At 31 March 2025	<u> </u> 3

NAME	Nature of business registration	Country of registration	Class of shares held	Proportion
Groundwork Trade Association Ltd	Dormant	England	Ordinary	100%
Groundwork Enterprises Ltd	Dormant	England	Ordinary	100%
Groundwork UK Ltd	Dormant	England	Ordinary	100%

	2025	2024
	£	£
SUBSIDIARY UNDERTAKING		
Groundwork Trade Association Ltd	4,000	4,000
Groundwork Enterprises Ltd	25,002	25,002
Groundwork UK Ltd	1	1
	<u> </u>	<u> </u>

11. Fixed asset investments

	£
VALUATION	
At 1 April 2024	2,070,800
Investments	-
Net loss on revaluation	(32,600)
	<u> </u>
At 31 March 2025	2,038,200

Investments are held in a managed mixed fund, which is designed to deliver a return of between 3% and 4% above the Consumer Price Index, over a rolling three-year period.

12. Debtors

	2025	2024
	£	£
Grants receivable	1,220,165	2,142,454
Other debtors	100,000	335
Prepayments and accrued income	5,930,906	7,145,816
	7,251,071	9,288,605

13. Creditors

	2025	2024
	£	£
Grants due and payable	7,194,370	8,690,487
Agency creditor	148,154	768,065
Social security and other taxes	59,788	43,803
Other creditors	775,696	117,802
Accruals	1,379,254	1,237,793
Deferred income (note 14)	572,086	695,108
	10,129,348	11,553,058

	Balance at 1 April 2024	Amount paid in year	Amount accrued in the year	Balance at 31 March 2025
	£	£	£	£
Grants due and payable	8,690,487	5,616,472	4,120,355	7,194,370
Agency creditor	768,065	3,119,911	2,500,000	148,154

	Balance at 1 April 2023	Amount paid in year	Amount accrued in the year	Balance at 31 March 2024
	£	£	£	£
Grants due and payable	11,312,641	8,487,412	5,865,258	8,690,487
Agency creditor	1,663,104	2,947,789	2,052,750	768,065

14. Deferred income

	Balance at 1 April 2024	Amount released to incoming resources	Amount deferred in the year	Balance at 31 March 2025
	£	£	£	£
Movements in deferred income during the year were as follows:				
Community projects	695,108	695,108	572,086	572,086

	Balance at 1 April 2023	Amount released to incoming resources	Amount deferred in the year	Balance at 31 March 2024
	£	£	£	£
Community projects	822,098	822,098	695,108	695,108

Income is deferred where it is linked to milestones in future periods.

15. Analysis of net assets

	Unrestricted funds	Restricted funds	Total 2025
	£	£	£
Tangible fixed assets	10,797	-	10,797
Investments	2,038,203	-	2,038,203
Net current assets	1,067,608	3,917,479	4,985,087
Provision for liabilities	(20,000)	-	(20,000)
	<u>3,096,608</u>	<u>3,917,479</u>	<u>7,014,087</u>
	Unrestricted funds	Restricted funds	Total 2024
	£	£	£
Tangible fixed assets	10,969	-	10,969
Investments	2,070,803	-	2,070,803
Net current assets	791,378	1,175,666	1,967,044
Provision for liabilities	(10,000)	-	(10,000)
	<u>2,863,150</u>	<u>1,175,666</u>	<u>4,038,816</u>

16. Statement of funds

	Designated fund	General fund	Total
	£	£	£
UNRESTRICTED FUNDS			
At 1st April 2024	482,730	2,380,420	2,863,150
Incoming resources	-	7,716,519	7,716,519
Resources expended	(161,205)	(7,289,256)	(7,450,461)
Transfers	108,761	(108,761)	-
Loss on investment	-	(32,600)	(32,600)
At 31 March 2025	<u>430,286</u>	<u>2,666,322</u>	<u>3,096,608</u>

Statement of Funds (continued)

	Designated fund £	General fund £	Total £
UNRESTRICTED FUNDS			
At 1 April 2023	411,305	2,299,207	2,710,512
Incoming resources	-	5,877,456	5,877,456
Resources expended	(50,190)	(5,793,904)	(5,844,094)
Transfers	121,615	(121,615)	-
Surplus on investments	-	119,276	119,276
	<u>482,730</u>	<u>2,380,420</u>	<u>2,863,150</u>
At 31 March 2024	482,730	2,380,420	2,863,150

Designated funds include £80k to support strategic objectives across the Groundwork federation, £50k to fund staff training and development, £95k to support on-going programmes in 2025-26 and £205k to seed fund new programmes that align to federation strategic objectives.

	Balance at 1 April 2024	Incoming resources	Resources expended	Balance at 31 March 2025
	£	£	£	£
Restricted funds comprise performance related grants as follows:				
RESTRICTED FUNDS				
British Gas Trading Ltd	-	1,019,245	(998,134)	21,111
Bupa	58,890	602,930	(607,629)	54,191
Tesco Community Grants	-	8,906,969	(8,906,969)	-
HS2 Grants	-	2,619,633	(2,619,634)	-
Comic Relief	39,855	756,731	(535,199)	261,387
Cadent Foundation	469,198	1,305,632	(1,162,594)	612,236
DCMS - Energy Efficiency Scheme	-	20,977,436	(18,300,738)	2,676,698
Home Office	91,517	747,735	(824,229)	15,023
Onestop Carriers For Causes	72,744	219,616	(270,211)	22,149
Peoples Post Code Lottery	-	330,362	(330,307)	55
Redress - Energy Efficiency Scheme	(24,019)	353,227	(329,208)	-
The National Lottery Community Fund	30,912	-	(30,912)	-
The National Lottery Heritage Fund	18,533	621,746	(482,497)	157,782
West Yorkshire Combined Authority	-	2,363,812	(2,363,812)	-
Other programmes	418,036	199,574	(520,762)	96,847
	<u>1,175,666</u>	<u>41,024,648</u>	<u>(38,282,835)</u>	<u>3,917,479</u>

Large programmes include:

British Gas Trading Ltd	Supporting vulnerable energy customers with advice and energy saving measures
Bupa	Bupa Foundation Green Community Grants support practical projects which help both people and planet health
Tesco Community Grants	Grants to fund local community projects, voted for by Tesco customers
HS2 Grants	Grants to organisations to mitigate the disruption of HS2 construction
Comic Relief	Grant funding to community led organisations to support capacity building and project delivery
Cadent Foundation	Funding for energy efficiency advice and measures to vulnerable households, delivered by Groundwork 'Green Doctors'
DCMS - Energy Efficiency Scheme	Grants to Community organisations to improve energy efficiency
Home office	Supports Local authorities (LA) in their work with communities to build resilience to radicalisation
One Stop Carriers for Causes	Grants to fund local community projects in areas close to One Stop stores
Peoples Post Code Lottery	Grassroots Grants provides unrestricted funding of up to £2,000 for small, local organisations in England who are making a positive difference in their communities
Redress - Energy Efficiency Scheme	Support to vulnerable customers to reduce energy bills
The National Lottery Heritage Fund	Work placements in the green job sector aimed at participants from diverse backgrounds
West Yorkshire Combined Authority	Supporting people furthest from the labour market to improve employability prospects

	Balance at 1 April 2023	Incoming resources	Resources expended	Balance at 31 March 2024
	£	£	£	£
RESTRICTED FUNDS				
British Gas Centrica	-	-	-	-
Bupa	-	615,467	(556,577)	58,890
Tesco Community Grants	-	6,281,569	(6,281,569)	-
HS2 Grants	-	2,272,090	(2,272,090)	-
Comic Relief	841,923	391,375	(1,193,443)	39,855
Cadent Foundation	693,507	1,658,304	(1,882,613)	469,198
DCMS - Energy Efficiency Scheme	-	688,846	(688,846)	-
Home Office	174,697	138,485	(221,665)	91,517
Firethorn Trust	135,547	-	(135,547)	-
Onestop Carriers For Causes	65,544	35,000	(27,800)	72,744
Redress - Energy Efficiency Scheme	-	421,928	(445,947)	(24,019)
The National Lottery Community Fund	17,415	14,768	(1,270)	30,912
The National Lottery Heritage Fund	-	1,755,300	(1,736,767)	18,533
Other programmes	598,411	1,156,406	(1,336,781)	418,036
	<u>2,527,044</u>	<u>15,429,538</u>	<u>(16,780,916)</u>	<u>1,175,666</u>

Programme funds are only available for expenditure in accordance with the funders' directions.

17. Commitments under operating leases

As at 31st March 2025, the charity had total commitments under a non-cancellable lease for premises as set out below.

	2025	2024
	£	£
Within 1 Year	48,657	53,704
1-2 Years	-	46,032
2-5 Years	-	-
	<u>48,657</u>	<u>99,736</u>

£64,876 was expensed during the year (2024: £53,704)

18. Provision for dilapidation

A provision of £20,000 has been included to cover the possible dilapidation costs associated with the lease of the Walker Building. This will be reviewed annually to ensure it is sufficient to cover future possible liabilities.

19. Pensions

During the year ended 31 March 2025 Groundwork UK paid contributions into a defined contribution scheme. The total charge to the defined contribution scheme amounted to £299,641 (2024: £289,556). Contributions outstanding at the year-end amounted to £25,143 (2024: £24,420).

20. Related party transactions

At the year-end a balance of £4,000 (2024: £4,000) was owed to Groundwork Trade Association Limited, a wholly owned subsidiary of the company. There are no other related party transactions.

21. Reconciliation of net income to net cash flow from operating activities

	2025	2024
	£	£
Net income for the reporting period (as per the SOFA)	2,975,272	(1,198,740)
ADJUSTED FOR:		
Losses / (Gains) on Investments	32,600	(119,276)
Depreciation charge	9,317	16,381
Investment income	(261,719)	(210,049)
(Increase) / Decrease in debtors	2,037,533	3,476,746
Increase / (Decrease) in creditors	(1,423,710)	(3,231,076)
Increase / (Decrease) in provisions	10,000	-
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	3,379,292	(1,266,014)

22. Financial Instruments

	2025	2024
	£	£
Groundwork UK's financial instruments may be analysed as follows:		
FINANCIAL ASSETS		
Financial assets measured at fair value through profit and loss:		
Investments	2,038,200	2,070,800
	<hr/>	<hr/>
	2,038,200	2,070,800

Financial assets measured at fair value through profit or loss comprise fixed asset investments in a trading portfolio of listed company shares.

Groundwork UK would like to thank all its funders and partners. Our work to support communities has benefited significantly from funds provided by the following organisations:

	£
Anglian Water Services	27,995
British Gas Trading Ltd	1,083,097
Bupa	612,730
Cadent Foundation	1,641,351
Cadent Gas Limited	1,081,628
Centrica	154,555
Comic Relief Community Fund (England)	717,712
Deloitte	22,900
Department for Digital, Cultural, Media & Sport	22,464,865
Department for Levelling up, Housing & Communities	2,585,775
Energy Resilience Fund	15,000
Energy Saving Trust	525,286
Froneri	85,000
Grosvenor	134,628
Hatch Enterprise	271,359
Home Office	868,070
HS2 Limited	3,331,540
Impax Asset Management	80,655
Jones Lang Lasalle Limited	22,400
Morgan Stanley	100,000
Northern Gas Network	622,605
One Stop Stores	304,149
Peoples Post Code Lottery Fund	398,394
Pfizer UK	25,570
Price Waterhouse Coopers	20,190
Segro	134,058
Tesco PLC	10,640,191
The Britford Bridge Trust	10,000
The National Lottery Heritage Fund	1,559,034
Thrive	34,874
Worcester Bosch	12,500
WWF - UK	15,793
West Yorkshire Combined Authority	2,348,423

These figures are based on invoiced amounts during the financial year.

Advisers

Auditors

Crowe U.K. LLP

Black Country House
Rounds Green Road
Oldbury B69 2DG

Bankers

The Co-operative Bank plc

PO Box 82
118-120 Colmore Row
Birmingham B3 3BA

HSBC

114 High Street
Stourbridge DY8 1DZ

Investment Managers

Cazenove Capital

1 London Wall Place
London EC2Y 5AU

Solicitors

Anthony Collins Solicitors LLP

134 Edmund Street
Birmingham B3 2ES

The Board of Trustees

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

Appointed trustees	First appointed	Last appointed	Retired/resigned
Stuart Bonham	December 2019	AGM 2023	
Sarah Clarke	January 2025		
Katrina Cunliffe	March 2023	AGM 2023	
Jeff Greenidge	March 2019	AGM 2022	Resigned June 2024
Patrick Hughes	September 2021	AGM 2024	
Margot Madin	September 2022	AGM 2022	Resigned January 2025
Antony Nelson	March 2019	AGM 2022	
James Parkin	June 2024	AGM 2024	Resigned May 2025
Nigel Reader	July 2021	AGM 2024	
Paul Roots	March 2019	AGM 2022	
Anne-Marie Simpson	December 2019	AGM 2023	
Andrew Thurston	January 2021	AGM 2021	
Co-opted trustees	First appointed	Last appointed	Retired/resigned
Faiza Amin	September 2019	AGM 2022	
Karen Balmer	September 2022	AGM 2022	
Graham Hartley (Chair)	August 2015	AGM 2021	Resigned September 2024
Claire Marshall	December 2021	AGM 2022	Resigned April 2025
Oona Muirhead	June 2024	AGM 2024	
Graham Parry	September 2022	AGM 2022	Resigned March 2025
Andrew Thompson	March 2025		
Jack White	September 2019	AGM 2022	

Company Secretary

Paul Viles

Committees of the Board

Chairs' Committee	Chair	Oona Muirhead
Federation Executive Team	Chair	Andrew Thompson
Programmes & Partnerships	Chair	Anne -Marie Simpson
Finance & Risk	Chair	Stuart Bonham

Chief Executive

Graham Duxbury



GROUNDWORK

To find out more about Groundwork,
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- [Groundwork UK](https://linkedin.com/company/groundwork-uk)

Published December 2025

Groundwork UK is the operating name of the Federation of Groundwork Trusts, a company limited by guarantee.
Company Registration Number: 1900511. Charity Registration No: 291558

THE FEDERATION OF GROUNDWORK TRUSTS

England & Wales - Charity number 291558

Accounts

2023/24

The Federation Of Groundwork Trusts

(Operating as Groundwork UK)



Annual Report and Financial Statements



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About Groundwork UK

Groundwork supports practical action to create a fair and green future in which people, places and nature thrive.

We believe that working with local communities and businesses to help them build their capacity and resilience is vital if we are to tackle hardship, achieve a just transition to net-zero and help nature recover in a way that reduces inequality and leads to better work and healthier, happier lives.

What this means in practice is: helping people get jobs and supporting the growth of the green economy; reducing the waste of energy, food and water; creating and maintaining biodiverse, accessible green spaces; supporting businesses to be more successful and responsible; and empowering communities to take action to improve their health and wellbeing and the local and global environment.

Groundwork UK is the central body of Groundwork, responsible for the brand, systems and agreements that hold the federation together. We add value to Groundwork's local activities by building the organisation's profile, developing strategic relationships with partners and funders, managing programmes and contracts delivered by Groundwork Trusts and others and furthering Groundwork's mission by distributing grants to other charities and community groups on behalf of public bodies and private businesses. We act as Groundwork's national voice in the outside world and help all parts of Groundwork gain the benefits of being in a federation by providing opportunities to collaborate, share ideas and capacity and learn from good practice.

Groundwork UK is registered as a company and charity under the name The Federation of Groundwork Trusts, denoting its status as the membership body for Groundwork Trusts. This report outlines the activity, priorities and financial position of Groundwork UK and how it contributes to Groundwork's collective achievements www.groundwork.org.uk.

Chair's Statement

This is my final contribution to Groundwork UK's annual report as I step down at the end of three terms as Chair. It has been a privilege to lead the Board and support the Chief Executive and his team through a period that has been unprecedented in our history – political turmoil, a global pandemic and shocks to the national and global economy.

I'm delighted to say that I leave the organisation in good health. Groundwork UK has grown steadily over the last decade and sits at the heart of a federation that continues to buzz with ideas, energy and innovation. We have remained responsive, developing solutions that meet the emerging and evolving needs of communities: our work to help people reduce their bills and escape fuel poverty has grown considerably; we are at the forefront of activity to help people get jobs in the green economy; and we are finding new ways of ensuring people of all ages and backgrounds are able to connect with nature to improve their health and wellbeing.

Along the way we have built and sustained important relationships, working with central and local government, lottery funders and businesses who share our values and know the benefits of investing in communities. I want to say a particular thank you to the National Lottery Heritage Fund, for their vision in helping to create the New to Nature programme, giving young people from diverse backgrounds their first job in the sector. I also want to pay tribute to Tesco for their ongoing support which has seen more than £100m invested in communities and, this year, the launch of a new Stronger Starts strategy ensuring children and young people stay fit, fed and focused. Thank you also to the Cadent Foundation, who have doubled their support for our Green Doctor service and who are helping us grow our workforce to meet increased demand. We have worked with many other partners and funders during the last year, whose generous support has enabled us to provide grants and support to thousands of communities around the country.

Groundwork is in safe hands and has the resilience and flexibility to respond to the challenges and opportunities presented by changing circumstances and a new political reality. The support and services we provide will never be more needed as the impacts of climate change are felt more significantly by those who are most vulnerable. Finding solutions that don't disadvantage people further and that, instead, demonstrate the positive social benefits of more sustainable choices is going to be the defining challenge of the next 10 years.

I would like to thank my fellow trustees, who give their time so generously to support our organisation, and Groundwork's employees around the country who continue to inspire through their commitment and creativity. The greatest strength of any organisation is its people and I know Groundwork will remain committed to giving people the opportunity to build exciting, fulfilling careers while helping those who need it most to improve their prospects.



Graham Hartley, [Chair \(retired 19 September 2024\)](#)

Governance

How we are organised and governed

Groundwork UK is the operating name of The Federation of Groundwork Trusts, a charity and a company limited by guarantee. The governing documents are its Memorandum and Articles of Association, which were last amended by written resolution on 6 December 2018.

Membership of Groundwork UK comprises Groundwork Trusts. Groundwork Trusts are registered charities and companies limited by guarantee with similar objects to Groundwork UK but delivering in local areas across the UK. A membership agreement sets out our internal roles, relationships and behaviours and the whole of Groundwork operates to a collectively agreed federation strategy, which is overseen by our Board of Trustees.

The Board of Trustees comprises the trustees of Groundwork UK in accordance with the Charities Act 2011, who are also the directors of the company in accordance with the Companies Act 2006. The majority of our trustees are appointed from the boards of our member Groundwork Trusts. A number of independent trustees, including our Chair, are co-opted by the Board on account of their skills, experience or networks.

Our trustees are responsible for ensuring Groundwork UK is managed effectively and efficiently with appropriate systems, processes and policies governing our fundraising and financial management, our assets and investments and our responsibilities to our staff, volunteers and beneficiaries. Trustees pay particular attention to our responsibilities in respect of health and safety, safeguarding and cybersecurity, and we also have trustee champions overseeing our work to reduce our carbon footprint and promote equity, diversity and inclusion across our organisation. Although no formal Trustee training programme is in place, Trustees receive an informal induction overseen by the Chief Executive.

The work of the Board is supported by four sub-committees:

Groundwork UK Committee - overseeing the development and management of our programmes and services, ensuring risks are managed and supporting the operational and financial performance of our organisation.

Audit & Remuneration Committee – overseeing Groundwork UK’s audit process, reviewing our Annual Report and Financial Statements and helping to make decisions on pay and reward.

Federation Executive Team – executives from each Groundwork Trust supporting the Board with the formulation of strategy and policy for the whole of Groundwork and ensuring that Groundwork UK is working in the best interests of the whole federation.

Chairs’ Committee – comprising the Chairs of the three committees above and assisting with appointments to the Board, including selection of the Federation Chair.

As a charity supporting young people to play an active role in their communities, we want to ensure that our strategic decision-making and operational plans are informed by the views of young people. Our **Youth Advisory Board** acts as a sounding board for our internal teams and provides a platform for building and supporting a wider network of young people to improve their own lives and neighbourhoods. We also seek regular feedback from community groups we support through our grant programmes, and from other partners and stakeholders to ensure our plans respond to the needs of those they're designed to benefit.

Groundwork UK's Management Team is led by the Chief Executive and includes senior staff members responsible for financial management and corporate services, partnerships and fundraising, policy and communications, grant management and delivery and learning. This team operates through delegated powers outlined in our financial regulations and provides regular reports on financial and operational performance and risk management.

Our commitments

The Board is committed to the principles of good governance set out in the Charity Commission Governance Code and all boards within Groundwork regularly review their performance against this standard.

Our federation strategy sets out the principles which underpin all of our work.

- > **We work where there is most need and we can have most impact** – prioritising our resources and building partnerships so that we can bring about lasting change.
- > **We listen to local voices and empower people** – ensuring our work is shaped by those it is designed to benefit and strengthens community assets and infrastructure.
- > **We embed equity and inclusion in everything we do** – addressing injustice and seeking out a diversity of viewpoints, both in the work we do and the people we employ.
- > **We learn from local practice to promote wider change** – sharing the lessons from our work so that we can influence policy and contribute to system change.
- > **We are collaborative and innovative** – forging strong partnerships and working with others to develop new ways of working and achieve greater impact.
- > **We are environmental exemplars** – championing practical action to combat the climate and nature emergencies and measuring and reducing our own environmental impact.

The Groundwork UK staff team has agreed a set of values to inform the way it works and behaves. We are collaborative, responsive, focused on impact and fairness. These values are tested in our recruitment processes and embedded in our arrangements for performance management and reward and recognition.

Our decisions, actions and operations are guided by our sustainable development policy, which sets out how we will contribute to creating a strong and just society living within environmental limits, and how we will reduce our own carbon footprint.

As a charity dedicated to supporting people who may be vulnerable we are committed to ensuring our operations are delivered safely and that our staff, volunteers and service users are able to speak freely about any concerns they have. We have a Groundwork-wide commitment to effective safeguarding and comprehensive complaints and whistleblowing procedures.

Our work is designed to address the needs of all sections of the community and we provide equal access to our services regardless of people's backgrounds, circumstances or characteristics. We monitor levels of diversity within our staff team to ensure it reflects the communities of which we are a part and regularly gather feedback from colleagues about our culture, recruitment processes and employment practices to ensure they are inclusive.

Groundwork UK pays particular regard to its duties as a programme and grant manager, ensuring safeguarding, EDI and sustainability considerations are embedded in due diligence, monitoring and feedback processes.

Groundwork UK is registered with the Fundraising Regulator and complies with all relevant codes of practice. All of our fundraising is managed internally and we do not employ commercial participants or professional third-party fundraisers. We can confirm that there were no complaints concerning our fundraising activities during the year. We do not engage directly with the public, other than on our website, in our fundraising activities.

More information about our approach and commitments can be found here - [Our approach and commitments - Groundwork](#)

Relationships within Groundwork

Groundwork is a federation of independent charities, each working under a common brand and to a set of common standards. Groundwork Trusts make their own decisions about the project work they develop and deliver, but our collectively agreed federation strategy identifies areas of delivery or management that will be the focus for collaborative activity – ensuring the 'Groundwork whole' is greater than the sum of the parts.

Groundwork UK delivers services and activities to support Groundwork Trusts and the delivery of Groundwork's mission and strategy. Groundwork UK is held to account for its performance by the rest of the federation, with each Groundwork Trust a company member. Our federation membership agreement sets out the commitments made by all parts of Groundwork in relation to quality, governance and ways of working and defines the functions Groundwork UK will deliver on behalf of the federation.

The appointed trustees of Groundwork UK are also trustees of Groundwork Trusts but are not considered to be related parties under the definition of the SORP and transactions between Groundwork UK and Groundwork Trusts do not require separate disclosure. Groundwork UK has considered the other disclosure requirements of the SORP and believes that there are no other related party transactions.

Objectives and public benefit

Groundwork UK is a public benefit entity, whose primary objective is to provide goods or services for the general public or social benefit and where any risk capital has been provided with a view to supporting that primary objective rather than with a view to a financial return to its members

Groundwork UK's charitable objectives are set down in its Memorandum of Association. They commit Groundwork UK to delivering and promoting **regeneration** and **sustainable development** as follows.

To conserve, protect and **improve the physical and natural environment** anywhere in the United Kingdom and Republic of Ireland.

- To **improve quality of life** by providing welfare, recreation or leisure facilities.
- To advance public **education in environmental matters**.
- To promote **urban or rural regeneration** in areas of social and economic deprivation through:
 - the relief of poverty and unemployment
 - providing education, training or work experience for people who are unemployed
 - delivering financial assistance, technical assistance, business advice or consultancy in order to help people get back to work
 - creating training and employment opportunities by providing work space, buildings and land
 - maintaining or improving public amenities such as footpaths and cycle ways
 - the preservation of buildings or sites of historic or architectural importance
 - reclaiming derelict land for use as open space
 - providing public health facilities and schemes to promote healthier living
 - alleviating anti-social behaviour and supporting crime prevention.
- To promote **sustainable development** for the benefit of the public by:
 - preserving, conserving and protecting the environment
 - promoting the prudent use of natural resources
 - improving quality of life in socially and economically disadvantaged communities
 - promoting sustainable means of achieving economic and social growth and regeneration
 - educating the public in how to protect and improve the environment.
- To promote the **efficiency and effectiveness of charities** in helping them deliver their objectives by providing information, advice and assistance.

Groundwork UK's trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the organisation's objectives and planning future activities. In particular, the trustees consider how planned activities will contribute to the charitable objectives set out above.

Strategic Report for the year ended 31 March 2024

The Board of Trustees presents its report for the year ended 31 March 2024. This includes:

- > Page 3 An introduction to our organisation
- > Page 5-8 Our governance and objectives
- > Page 9-22 Our financial and operational review for the year
- > Page 14 Our plans for the future
- > Page 52-54 Details of our trustees, senior staff and advisers

1. Performance overview

Against a backdrop of political, economic, social and environmental turbulence, Groundwork UK has had a successful year, both operationally and financially, with continued growth in both our programme base and staffing levels, enabling us to extend our impact and support more people and communities in need.

Our work has helped the wider Groundwork federation generate £101m to deliver projects, programmes and services that help people improve their prospects, create better places and protect the planet.

This has included:

- > improving more than 3,000 open spaces and planting 25,000 trees
- > helping more than 50,000 people identify savings on their utility bills to the value of £2.5m
- > supporting nearly 10,000 people to progress into employment, education or training
- > helping households and businesses save more than 22,000 tonnes of carbon emissions
- > helping funders distribute 17,000 grants to community organisations to a value of £20.7m.

Groundwork UK has supported this work by building Groundwork's visibility and credibility, facilitating collaboration and learning within the federation and managing programmes that help deliver our collective mission.

Our portfolio of grant management programmes has continued to expand and diversify. Our relationship with Tesco remains strong and this year has moved into a new phase with the launch of the Stronger Starts strategy, which has seen us focus grant-giving on schools and other organisations supporting young people. The last year also saw us design, develop and launch the VCSE Energy Efficiency Scheme on behalf of DCMS. This high volume, short timescale programme got off to a good start in 2023/24, but will require significant resources to deliver successfully in the current year. We have worked closely with colleagues at HS2 to ensure distribution of their community and business funds continues smoothly despite changes to the construction programme, and have successfully concluded our work as an intermediary grant manager for Comic Relief. New and repeat grant programmes have been launched with the BUPA Foundation, Rowntree and the Home Office.

We have enjoyed considerable success in securing funding to support local delivery of Groundwork's Green Doctor service during the year. A new three-year £6m relationship with the Cadent Foundation will see delivery expanded into new areas of need and help us engage a new cohort of Green Doctor trainees. This will be complemented by our growing relationship with British Gas and by an increasing number of businesses and charitable foundations keen to support this vital service.

A highlight of the year has been delivery of the New to Nature programme, an initiative to help 95 young people get their first job in the environmental sector backed by funding from the National Lottery Heritage Fund. This has galvanised employers in the sector, enabling them to expand their reach while providing life-changing opportunities for young people struggling to get their foot on the first rung of the career ladder.

Our roster of business partnerships has expanded over the year and we have been supported by companies as diverse as Grosvenor, PwC and Veolia, either through fundraising efforts or volunteering activity. During 2023 we worked with 17 businesses to enable more than 4,000 volunteers to give 22,000 hours of time to support local community organisations.

2023/24 saw the culmination of our Enterprise Development programme, working alongside the Access Foundation and Social Investment Business (SIB). Over the course of the last three years we have supported 43 environmental organisations to develop new trading or enterprise activities through a programme of expert workshops, peer support and grant funding. This has helped us build our own capacity and expertise and we are now helping organisations grow their business by facilitating access to blended finance through SIB's Thrive partnership and REACH Fund.

Our policy and communications work has continued to strengthen through a focus on coordinated positioning activities, such as our Force of Nature campaign which generated pledges from a significant number of organisations to make green jobs more accessible. We have continued to represent Groundwork nationally in an expanding range of policy networks linked to green jobs, energy efficiency, green infrastructure, access to nature and social prescribing and will continue to use these networks to build visibility, credibility and partnership links. This includes supporting the Everyone's Environment campaign, led by New Philanthropy Capital, which is helping social charities and funders to understand the impact of climate change on their beneficiaries.

Our work to facilitate collaboration and quality within the federation has become more structured and effective with the potential to make a step change in the way information is shared and practitioners are networked through the use of new systems. We have supported the implementation and testing of a new impact framework for Groundwork and made strides in developing a new professional development framework for Groundwork's community practitioners. We have also continued to support the sustainability and effectiveness of Groundwork Trusts by leading national business development and fundraising activities, coordinating peer support and providing financial assistance.

Financially we have generated an operating surplus which allows us to maintain our level of unrestricted reserves despite rising costs, and invest further in helping the federation improve its practice and collaborate to drive quality and impact.

Our people management metrics remain positive with high levels of commitment and satisfaction within the staff team and low levels of absence and staff turnover. Our People Plan is focused on ensuring we are pro-actively supporting our colleagues to develop and progress in their roles and identifying ways to help teams cope with increasingly challenging workloads.

2. Sustainable Development Report

Protecting and improving the environment is central to our charitable mission and our federation strategy commits us to being an environmental 'exemplar', demonstrating we practice what we preach.

Our carbon footprint for 2023/24 is estimated at 15 tonnes of CO₂ equivalent, which is higher than the previous year. This is accounted for by an increase in travel as face-to-face activities have resumed since the pandemic, and an overall increase in staff numbers. A significant element of our footprint is related to energy costs in our Walker Building premises and we have begun active engagement with our landlords in order to try and influence their choice of energy provider. We will now be working with experts from within the federation to develop a more robust carbon reduction plan containing year on year targets.

Our staff-led 'Sustainable Living under Groundwork' group continues to deliver awareness-raising campaigns to promote behaviour change, focussing this year on plastic waste and meat-free diets, and organises practical activities with the wider team including 'swap shops' and litter-picking sessions. We have also introduced a new salary sacrifice scheme to help with the purchase of electric vehicles.

During the year an in-house team delivered Carbon Literacy training to our whole staff team, an exercise which also generated a number of pledges and ideas that will feed directly into our carbon reduction plan.

We recognise that, as a small staff team, the greatest contribution we can make to sustainable development is through the programmes we develop and deliver. During the year we have supported an increasing number of Green Doctor visits, helping more than 5,300 households identify savings equivalent to 360 tonnes of CO₂, installing 43,000 energy saving measures. Through our management of the DCMS VCSE Energy Efficiency Scheme we have helped 1,100 organisations benefit from an independent energy assessment of their premises, which will now enable some to secure funds for the installation of measures such as double glazing, solar panels and heat pumps. We also run a number of programmes providing funds to improve the local environment, tackling the loss of biodiversity and helping nature recover. Our SEGRO Greener Communities programme improved 15,000 m² of land across 10 sites and, with support from the Firethorn Trust, we have improved community gardens, planted trees and bulbs and trained young people in horticulture skills.

3. Equity, Diversity and Inclusion

As a federation, Groundwork has committed to ensuring it embeds good practice in relation to equity, diversity and inclusion in the way it manages its people and delivers its projects, programmes and services. Groundwork UK's EDI working group continues to deliver a programme of activities informed by team-wide surveys and a self-assessment process.

We have continued to provide training for team members, including last year sessions on disability awareness and micro-aggressions, and maintain our support for the RACE Report, ensuring there is transparency around racial diversity in the environmental sector.

We have also developed our approach to sharing internal learning and demonstrating external support in relation to social issues, for example highlighting the challenges young women and people from the LGBTQ+ community feel in using outdoor spaces in their community to coincide with International Women's Day and Pride Month.

In line with our strategic priorities, we are focused on building equity, diversity and inclusion into the programmes and campaigns that we run. New to Nature has helped 95 young people get their first job in the environmental sector, with 86% recruited from one of our target groups – people with disabilities or from an ethnic minority or low income background. This programme, and our lead role in the Everyone's Environment coalition, have seen us establish strong relationships with organisations such as Disability Rights UK and the Race Equality Foundation, which we will build on to develop new programmes.

Groundwork UK's gender pay gap stands at 24% (2023: 28%). With the highest earner removed the pay gap is 14%. We continue to address this by providing flexible working arrangements and prioritising internal development opportunities. 44% of all posts recruited over the last three years were filled by an internal candidate progressing into a higher paid role and last year five out of seven team members benefiting from our reward and recognition process were female.

Analysis of all recruitment exercises undertaken in the last three years shows that:

- > 72% of applicants for posts offered by Groundwork UK were women and 76% of those recruited were women
- > 35% of applicants for posts identified as non-white British with 33% of those recruited identifying as non-white British.

4. Our plans for the future

Groundwork UK's future plans are influenced and informed by a number of trends impacting on the policy and funding landscape within which we operate.

- Ongoing reductions in both local and national public sector budgets are having the effect of increasing hardship in society while limiting the resources available to meet need.
- Recent surges in inflation have left many households struggling to afford basic necessities such as food and energy, leading to increased demand for services that help people reduce their bills and maximise their income.
- The impacts of climate change are being felt with increasing severity through extreme weather events, impacting first and worst on those in society with least choice and least protection, exacerbating environmental injustice and health inequalities.
- The previous political consensus around climate action has fractured with environmental policymaking more contested and more emphasis being placed on finding solutions that address both immediate hardship and longer-term sustainability.
- New market mechanisms for delivering natural solutions and ecosystem services are being developed and tested with a parallel need for more specialist knowledge and business links within the environmental sector.
- Businesses are continuing to play a leadership role in delivering social and environmental programmes though distinguishing genuine commitment from 'greenwashing' is becoming more of a challenge.
- Polarised media and political debates (so-called 'culture wars') are, in some areas, at risk of undermining delivery, distracting attention and leading to increased reputational risk.

Our priorities and plans are also shaped by the ongoing development of the Groundwork federation.

- The finances, structure and governance of the federation are strong and stable, though Groundwork's collective resilience will be tested by a prolonged period of spending restraint.
- Levels of collaboration within the federation are high, leading to widespread sharing of delivery models and management approaches.
- The end of EU-funded programmes in 2023 has led to some parts of Groundwork needing to adjust and begin rebuilding their capacity, particularly in relation to employment and skills.
- There is increasing appetite within the federation for developing new fundraising approaches to diversify Groundwork's income base – Groundwork UK needs to be clear how it leads and adds value to this activity.
- There is a need for Groundwork to develop a collective data and digital strategy to inform and guide work being done to improve systems, demonstrate impact and manage the risks and opportunities associated with AI.

In order to ensure Groundwork UK's activities are fully aligned with the needs and expectations of the federation, our business plan is clearly and explicitly driven by Groundwork's collectively agreed strategy for 2028.

Our strategy defines our high-level purpose - *supporting practical action to create a fair and green future in which people, places and nature thrive* - and commits the whole of Groundwork to delivering this in three ways:

- **helping people improve their prospects** - increasing confidence, skills, wellbeing and employability and helping those out of work find jobs in the green economy
- **helping people create better places** - making communities greener, healthier and better prepared for the future and enabling people to work together to bring about change in their local area
- **helping people protect the planet** – supporting people and businesses to reduce their carbon footprint, cut waste and take practical action to combat the climate and nature emergencies.

Groundwork UK's strategy and priorities

As the central body of the federation, Groundwork UK has defined its own purpose as *supporting and working in partnership with Groundwork Trusts in a strong and connected federation to build the resilience and environmental sustainability of communities facing hardship and injustice.*

In order to achieve this purpose our own strategic objectives as a team are to:

- support local delivery and distribute grants to help communities create a fair and green future
- drive innovation, networking and learning within our federation to improve and expand Groundwork's delivery
- share the lessons learned from our programmes and local delivery with external audiences to support the development of a green economy, promote nature recovery and deliver a just transition to net zero.

We track core sets of data to help us manage our organisation and ensure we are meeting the needs of our internal and external stakeholders, including:

- the performance of our local delivery and grant programmes against KPIs agreed with funders and partners
- the reach and impact of our communications activity through PR, social media, digital marketing and policy networking
- levels of engagement and satisfaction with our programmes of internal networking, learning and collaboration
- the financial performance of our organisation, ensuring that we can invest in the resources we need to deliver our mission and support the federation.

In order to meet the objectives in our plan we are focusing time and resources on a number of priority pieces of work, reporting progress on a quarterly basis.

- Driving income diversification to generate more flexible funds that we can use to support Groundwork's local delivery, test new products and services and fund our collective federation priorities.
- Prioritising public affairs and positioning and providing a more comprehensive communications service for the federation to enable Trusts to maximise their visibility and credibility with public sector stakeholders.
- Developing and managing programmes that help Groundwork deliver its strategic goals: helping people in hardship and isolation; building the green economy; connecting those who most need it with nature; helping people and places respond and adapt to climate change.
- Building our reputation and offer as specialists in community grant management as a way of extending Groundwork's mission and generating revenue.
- Facilitating sharing and learning across the federation in order to extend and improve local delivery – convening networks, supporting collaboration, managing our impact framework and maximising the benefit of systems.
- Building an effective and diverse organisation which reflects the communities we serve and helps people develop their careers.

5. Financial performance

Our long-term financial strategy is unchanged. We aim to maximise the resources available for local delivery (by minimising our costs and generating income), while maintaining the capacity we need to operate effectively and safely. Achieving a surplus position at the end of the year ensures we maintain sufficient reserves to sustain our charitable operations while being able to invest in activities that benefit the federation.

Incoming resources for 2023/24 totalled £21.3 million (2023: £22.8 million). Our organisational turnover is heavily influenced by the volume of grants we distribute on behalf of other funders. This fluctuates from year to year, and is not considered to be the determining factor in our assessment of financial health. Our underlying trading performance resulted in an unrestricted surplus of £84k (2023: £127k), compared to a budget of break even. The final reported outturn includes a £119k increase in the value of our investments.

In addition to this income, we received funds and distributed grants totalling £2.9 million, funds for which we are responsible as agent for the funders but which are not included in our stated turnover.

5.1 Reserves

In line with our financial strategy, our trustees have agreed that we should aim to hold 12 months operating costs (c£3 million) in liquid reserves. These reserves help us to:

- > absorb short term setbacks such as loss or delays in funding
- > retain experienced staff in the event of there being funding gaps in between programmes
- > maintain working capital where programmes are retrospectively funded
- > invest in new functionality to improve our effectiveness, efficiency or income generation capability
- > set aside funds for capital assets such as ICT equipment.

Our reserves policy recognises the need to operate as a responsible charity, maintaining trust with our partners and the public by not generating surpluses for which there is no future requirement or that are used for purposes which are not directly connected to our charitable aims.

Our level of free liquid reserves at the end of 2023/24 is £2.9million (2023: £2.7m).

Our restricted funds - advance payments from funders pending completion of project work – stand at £1.2 million (2023: £2.5 million). These restricted funds can only be used in accordance with agreements reached with funders and do not form part of the general reserves that are under the control of the trustees. These funds will all be distributed during 2024/25.

5.2 Investments

The majority of the funds obtained by Groundwork UK are for the delivery of specified projects and are therefore restricted. These funds are mainly distributed to Groundwork Trusts and other delivery partners operating under contract or to third party organisations in the form of grants to support local community projects. Any funds that are built up in advance of expenditure are kept as liquid as possible, whilst making every effort to maximise returns.

Cash that is unrestricted in nature and is not required in the short term (regarded as six months) is considered for long-term investment. We invest these funds in a managed fund arrangement with the aim of guarding against the eroding effects of inflation. In the last year, our investments grew by £119k, and delivered dividend income of £65k. All of these funds can be converted into cash without notice or penalty, should there be an immediate need for liquid funds.

5.3 Grant making policy

Groundwork UK delivers its mission primarily by distributing funds to Groundwork Trusts, other delivery partners and to community groups. Grant awards are accounted for as soon as grant panel decisions are made. If an offer is conditional on events outside the grantee's control and it is possible (but not probable) that an outflow of economic benefits will arise, such amounts are recognised as contingent liabilities until the grant conditions are fulfilled.

5.4 Principal funding sources

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

➤ **Private sector** - £12.3 million (2023: £11.9 million)

This includes funds provided by businesses and private foundations, most notably £6.3 million provided by Tesco to support schools and local community organisations through grants.

➤ **Public sector** - £3.5million (2023: £5.4 million)

This relates to funding secured from government departments and other public bodies to deliver programmes and services. In particular in 2023/24 this included funds to the value of £726k to distribute as grants on behalf of Government departments.

➤ **Lottery and charitable foundations** - £5.1 million (2023: £5.1 million)

This includes funds distributed to community groups on behalf of Comic Relief of £391k, £1.8 million received from the National Lottery Heritage Fund to support delivery of the New to Nature programme and £1.7 million from the Cadent Foundation to support the delivery of Green Doctor programmes.

5.5 Expenditure on charitable objectives

Our expenditure in the year was directed towards the following charitable activities.

> **Community grants** - £14.2 million (2023: £16.2 million)

Distributing funds on behalf of third parties to enable schools, community groups and local charities to deliver projects that improve local areas and provide support to those who are vulnerable.

> **Programme delivery** - £5.7 million (2023: £4.1 million)

Providing resources to support local delivery by Groundwork Trusts and other partner organisations through funded programmes to address fuel poverty, create green jobs and improve community facilities.

> **Programme management** - £1.4 million (2023: £1.3 million)

The costs of managing grant distribution and local delivery programmes, including reporting impact and generating learning from our delivery to improve practice and influence future policy.

> **Fundraising and communications** - £401k (2023: £398k)

The cost of generating resources to support local delivery through campaigns, communications and bidding activities.

> **Supporting our federation** - £280k (2023: £314k)

Providing systems and support to enable Groundwork Trusts to communicate, share knowledge and collaborate to achieve greater impact.

> **Running our organisation** - £313k (2023: £402k)

Ensuring Groundwork UK operates safely and efficiently with appropriate systems, quality standards and premises.

6. Risks and uncertainties

Our trustees understand their responsibilities for ensuring that the major risks to which the charity is exposed are identified and reviewed, and that there are systems in place to mitigate them. Trustees regularly review our risk management process and receive quarterly updates on actions put in place to mitigate the most significant ongoing risks. Given our role as a distributor of small grants to community organisations we are particularly conscious of the risk of fraud and undertake regular reviews of our due diligence and monitoring processes. The controls we have in place to prevent and mitigate fraud more generally are discussed with our trustees and tested by external auditors.

The most significant ongoing risks for which we have active mitigation strategies in place are as follows:

- an ICT failure or cybersecurity incident that leads to loss of capability, financial penalties and/or reputational damage – we use tried and tested commercial systems with full support and backup, undertake regular staff training and have now migrated into the Microsoft cloud, which provides an additional layer of protection
- a serious safeguarding, health and safety or fraud incident occurring on a programme managed by Groundwork UK and the impact this could have both on those involved and on our reputation – we undertake robust due diligence of grantees and delivery partners and have escalation processes in place to ensure any issues can be dealt with quickly
- the unexpected withdrawal or clawback of funding from a major partner arising from a failure to meet targets or comply with funding requirements or simply due to changed priorities – we prioritise customer service, receiving excellent stakeholder feedback, and our fundraising strategy is focused on diversifying our income base to mitigate reliance on a small number of funders.

Financial instruments

Groundwork UK'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 fixed assets and working capital through retained reserves.

7. Statement of trustees' responsibilities

Our trustees are responsible for preparing Groundwork UK's Annual Report and Financial Statements in accordance with applicable law and regulations.

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

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

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

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

These financial statements are published on our website in accordance with UK legislation governing the preparation and dissemination of financial statements. The maintenance and integrity of the website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements published.

Events after the year end


There have been no material events after the year end to report.

Disclosure of information by the trustees to the auditor

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

Signed on behalf of the Board of Trustees

Signed on behalf of the Board of Trustees

A handwritten signature in black ink, appearing to read "One Michael", enclosed within a hand-drawn oval.

Independent Auditor's Report to the Members of The Federation of Groundwork Trusts

Opinion

We have audited the financial statements of The Federation of Groundwork Trusts for the year ended 31 March 2024, which comprise statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 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 the Companies Act 2006 requires us to report to you if, in our opinion:

- > adequate accounting records have not been kept; 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 21, 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.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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 might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and Safety and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over income, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing 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, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, 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 non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)

For and on behalf of Crowe U.K. LLP, Statutory Auditor

Black Country House, Rounds Green Road, Oldbury, West Midlands B69 2DG

Date: 17 December 2024

Statement of Financial Activities

FOR THE YEAR ENDED 31 MARCH 2024

		2024 Unrestricted funds		2024 Restricted funds	2024 Total	2023 Total
	Note	General £	Designated £	£	£	£
INCOME FROM						
Donations and legacies	2	24,396	-	-	24,397	76,061
Charitable activities	3	5,492,082	-	15,429,538	20,921,620	22,423,972
Other trading activities	2	150,928	-	-	150,928	135,756
Investments	2	210,049	-	-	210,049	128,330
Total		5,877,456	-	15,429,538	21,306,994	22,764,119
EXPENDITURE ON						
Raising funds	4	75,877	-	213,169	289,046	215,886
Charitable activities	5	5,718,027	50,190	16,567,747	22,335,964	22,757,628
Total		5,793,904	50,190	16,780,916	22,625,010	22,973,514
Surplus / (Deficit) on Trading		83,552	-50,190	-1,351,378	-1,318,016	-209,395
Net gains / (losses) on investment	11	119,276	-	-	119,276	-161,520
Net income		202,828	-50,190	-1,351,378	-1,198,740	-370,915
Transfers between funds		-121,615	121,615	-	-	-
Net movement in funds		81,213	71,425	-1,351,378	-1,198,740	-370,915
RECONCILIATION OF FUNDS						
Fund balances brought forward	16	2,299,207	411,305	2,527,044	5,237,556	5,608,471
Fund balances carried forward	16	2,380,420	482,730	1,175,666	4,038,816	5,237,556

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 pages 31 to 51 form part of these financial statements.

Charity Balance Sheet

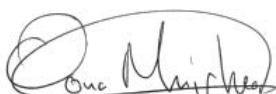
AT 31 MARCH 2024

Company registration number

01900511

	Note	2024		2023	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		10,969		20,116
Investments	11		2,070,800		1,951,524
Investments in subsidiaries	10		3		3
CURRENT ASSETS					
			2,081,772		1,971,643
Debtors	12	9,288,605		12,765,351	
Cash at bank		4,231,497		5,294,696	
		13,520,102		18,060,047	
Creditors: amounts falling due within one year	13	-11,553,058		--14,784,134	
Net Current Assets			1,967,044		3,275,913
Total assets less current liabilities			4,048,816		5,247,556
Creditors: amounts falling due after one year	18		-10,000		-10,000
NET ASSETS			4,038,816		5,237,556
RESERVES					
Unrestricted - General	16		2,380,420		2,299,207
Designated	16		482,730		411,305
Restricted	16		1,175,666		2,527,044
			4,038,816		5,237,556

These financial statements were approved by the Board of Trustees and authorised for issue on 19th September 2024 and signed on its behalf by:



Oona Muirhead, Chair

19 September 2024

The notes pages 31 to 51 form part of these financial statements.

Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
CASH FLOW FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	21	(1,266,014)	(3,660,823)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interest and rents from investments		210,049	128,330
Purchase of fixed assets		(7,235)	-
NET CASH PROVIDED BY INVESTMENT ACTIVITIES		(1,063,199)	(3,532,493)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowing		-	-
Change in cash and cash equivalents in the reporting period		(1,063,199)	(3,532,493)
Cash and cash equivalents at the beginning of the reporting period		5,294,696	8,827,189
Cash and cash equivalents at the end of the reporting period		4,231,497	5,294,696

Movement in Net Debt

At	1 April 2023 £	Cash flows £	31 March 2024 £
Cash at bank and in hand	5,294,696	(1,063,199)	4,231,497
Debt due within 1 year	-	-	-
Debt due over 1 year	-	-	-
	5,294,696	(1,063,199)	4,231,497

The notes on pages 31 to 51 form part of these financial statements.

Notes forming part of the financial statements

FOR THE YEAR ENDED 31 MARCH 2024

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 under the historical cost convention and comply with the Companies Act 2006. The financial statements have been prepared in accordance with applicable Accounting Standards and comply with the requirements of the Statement of Recommended Practice, "Charities SORP (FRS 102)".

The trustees and senior management consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The results of acquisitions are accounted for from the relevant date of acquisition under the acquisition method of accounting.

Accounting policies are supplemented by estimation techniques where judgement is required in measuring the value of income and expenditure and of assets and liabilities.

b) Grants and other income

Revenue and capital-based grants are credited to the statement of financial activities in the year in which they are received or become receivable under the terms of a grant agreement.

Where grants are considered to be performance related, income is recognised to the extent that the services outlined in the funding agreement had been performed by the year end. Where income has been received but the related services had not been performed by the year-end, the balance is carried forward as deferred income.

Donations are accounted for on a cash received basis. Rental income is recognised in the period to which it relates.

Incoming resources have been allocated between the key strategic areas of activity on a basis consistent with the allocation of expenditure (note 1(d)).

c) Grants payable

Grants offered to Groundwork Trusts and other organisations are typically paid in stages, with stage payments dependent upon the submission of claims detailing the work that has been completed. Claims which fall due within the year, which relate to work completed before the year-end, have been accrued for if they had not been paid during the year.

d) Expenditure

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly allocated, they have been allocated to activities on a basis consistent with the use of resources.

Costs of raising funds relate to the cost of external promotion and publicity to raise the profile of the charity and its objectives and costs associated with bids for funding.

Direct costs of charitable activities are those costs, which have been expended on delivery programmes. Support costs have been allocated to the key strategic areas of activity on the basis of the percentage of staff time spent on each of these areas.

e) 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. The Board may, at its discretion, set aside unrestricted funds for specific future purposes and these are referred to as designated funds. Where such funds are no longer required for the intended purposes they are released back to general unrestricted reserves.

Restricted funds are those which can only be used for purposes specified by the donor, or which have been raised under the terms of a specific bid. Expenditure under the terms of the grant agreement is shown as restricted expenditure.

f) Depreciation

Tangible fixed assets are stated at cost less provision for depreciation. Depreciation is calculated so as to write off the cost less the estimated residual value of tangible fixed assets by equal annual instalments over their estimated useful economic lives as follows:

Office equipment: 4 years

Computer equipment: 3 years

g) Pensions

The company contributes to two defined contribution schemes. Contributions are charged to the statement of financial activities as they become payable.

h) Operating leases

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

i) Provisions

Provisions for future liabilities are recognised when the charity has a legal or constructive obligation that can be reliably estimated and for which there is an expectation that payment will be made.

j) Fixed asset investments

Investments held are valued at market value. Unrealised gains and losses on the revaluation of investments are recognised in the statement of financial activities.

k) Key judgements

Grant awards are recognised as soon as awards are made at grant panels.

l) Public Benefit Entity

The company is a public benefit entity, whose primary objective is to provide goods or services for the general public or social benefit and where any risk capital has been provided with a view to supporting that primary objective rather than with a view to a financial return to its members.

Charity registration no. [291558](#)

Company registration no. [01900511](#)

2. Incoming resources from generated funds

	2024 Unrestricted	2024 Designated	2024 Restricted	2024 Total
	£	£	£	£
VOLUNTARY INCOME				
Donations and gifts	24,397	-	-	24,397
	<u>24,397</u>	<u>-</u>	<u>-</u>	<u>24,397</u>
OTHER TRADING ACTIVITIES				
Membership Fee	150,000	-	-	150,000
Car Parking	928	-	-	928
	<u>150,928</u>	<u>-</u>	<u>-</u>	<u>150,928</u>
INVESTMENT INCOME				
Dividends	65,113	-	-	65,113
Bank interest	144,936	-	-	144,936
	<u>210,049</u>	<u>-</u>	<u>-</u>	<u>210,049</u>
	2023 Unrestricted	2023 Designated	2023 Restricted	2023 Total
	£	£	£	£
<i>VOLUNTARY INCOME</i>				
<i>Donations and gifts</i>	76,061	-	-	76,061
	<u>76,061</u>	<u>-</u>	<u>-</u>	<u>76,061</u>
<i>OTHER TRADING ACTIVITIES</i>				
<i>Membership Fee</i>	135,000	-	-	135,000
<i>Car Parking</i>	756	-	-	756
	<u>135,756</u>	<u>-</u>	<u>-</u>	<u>135,756</u>
<i>INVESTMENT INCOME</i>				
<i>Dividends</i>	64,071	-	-	64,071
<i>Bank interest</i>	64,259	-	-	64,259
	<u>128,330</u>	<u>-</u>	<u>-</u>	<u>128,330</u>

3. Incoming resources from charitable activities

	2024 Unrestricted	2024 Designated	2024 Restricted	2024 Total
Income for project delivery was secured from the following sources:	£	£	£	£
Central government	587,851	-	138,485	726,336
Local authorities	28,071	-	17,613	45,684
Public agencies	441,362	-	2,286,895	2,728,257
Private sector	3,939,983	-	8,399,635	12,339,618
National Lottery and charitable foundations	494,815	-	4,586,910	5,081,725
	<u>5,492,082</u>	<u>-</u>	<u>15,429,538</u>	<u>20,921,620</u>
Income was allocated to:				
Grant distribution	3,500,101	-	9,833,237	13,333,338
Programme delivery	1,408,775	-	3,957,835	5,366,610
Programme management	338,724	-	951,617	1,290,341
Federation support	68,869	-	193,480	262,349
Fundraising and communications	98,729	-	277,372	376,101
Running Groundwork UK	76,884	-	215,997	292,881
	<u>5,492,082</u>	<u>-</u>	<u>15,429,538</u>	<u>20,921,620</u>

Incoming resources from charitable activities (continued)

	2023 Unrestricted	2023 Designated	2023 Restricted	2023 Total
Income for project delivery was secured from the following sources:	£	£	£	£
Central government	385,892	-	590,674	976,566
Local authorities	31,922	-	-	31,922
Public agencies	554,883	-	3,817,166	4,372,049
Private sector	2,135,177	-	9,779,146	11,914,323
National Lottery and charitable foundations	503,708	-	4,625,404	5,129,112
	<u>3,611,582</u>	<u>-</u>	<u>18,812,390</u>	<u>22,423,972</u>
Income was allocated to:				
Grant distribution	2,572,627	-	13,400,572	15,973,199
Programme delivery	649,768	-	3,384,582	4,034,350
Programme management	211,744	-	1,102,955	1,314,699
Federation support	50,077	-	260,845	310,922
Fundraising and communications	63,345	-	329,958	393,303
Running Groundwork UK	64,021	-	333,478	397,499
	<u>3,611,582</u>	<u>-</u>	<u>18,812,390</u>	<u>22,423,972</u>

For definitions of the above categories, see section 5.5 of the strategic report

4. Cost of raising funds

	2024 Unrestricted	2024 Designated	2024 Restricted	2024 Total
	£	£	£	£
Staff costs	65,658	-	184,459	250,117
Other costs	10,219	-	28,710	38,929
	<u>75,877</u>	<u>-</u>	<u>213,169</u>	<u>289,046</u>
	2023 Unrestricted	2023 Designated	2023 Restricted	2023 Total
	£	£	£	£
Staff costs	26,160	-	136,266	162,426
Other costs	8,610	-	44,850	53,460
	<u>34,770</u>	<u>-</u>	<u>181,116</u>	<u>215,886</u>

5. Charitable activities

	2024 Unrestricted	2024 Designated	2024 Restricted	2024 Total
	£	£	£	£
Expenditure on projects related to the following activities:				
Grant Distribution	3,644,095	31,986	10,558,617	14,234,698
Programme delivery	1,466,732	12,874	4,249,797	5,729,403
Programme management	352,659	3,095	1,021,816	1,377,570
Federation support	71,702	629	207,753	280,084
Fundraising and communications	102,791	902	297,833	401,526
Running Groundwork UK	80,048	704	231,931	312,683
	<u>5,718,027</u>	<u>50,190</u>	<u>16,567,747</u>	<u>22,335,964</u>

	2024 Grants payable	2024 Other direct costs of activities	2024 Support costs	2024 Total
	£	£	£	£
Expenditure on projects comprised:				
Grant Distribution	11,157,306	2,453,016	624,376	14,234,698
Programme delivery	4,490,767	987,328	251,308	5,729,403
Programme management	1,079,755	237,392	60,424	1,377,571
Federation support	219,533	48,266	12,285	280,084
Fundraising and communications	314,720	69,194	17,612	401,526
Running Groundwork UK	245,083	53,884	13,715	312,682
	<u>17,507,164</u>	<u>3,849,080</u>	<u>979,720</u>	<u>22,335,964</u>

Charitable activities (continued)

	2023 Unrestricted	2023 Designated	2023 Restricted	2023 Total
	£	£	£	£
Expenditure on projects related to the following activities:				
Grant Distribution	2,584,614	88,310	13,561,762	16,234,686
Programme delivery	652,796	22,305	3,404,384	4,079,485
Programme management	212,731	7,268	1,109,409	1,329,408
Federation support	50,310	1,719	262,371	314,400
Fundraising and communications	63,640	2,174	331,889	397,703
Running Groundwork UK	64,319	2,198	335,429	401,946
	3,628,410	123,974	19,005,244	22,757,628

	2023 Grants payable	2023 Other direct costs of activities	2023 Support costs	2023 Total
	£	£	£	£
Expenditure on projects comprised:				
Grant Distribution	13,626,050	1,930,597	678,039	16,234,686
Programme delivery	3,420,621	487,611	171,253	4,079,485
Programme management	1,114,700	158,901	55,807	1,329,408
Federation support	263,622	37,579	13,199	314,400
Fundraising and communications	333,472	47,536	16,695	397,703
Running Groundwork UK	337,029	48,044	16,873	401,946
	19,095,494	2,710,268	951,866	22,757,628

Charitable activities (continued)

	Grants to institutions	Grants to individuals	Grant support costs	2024 Total
	£	£	£	£
Analysis of grants				
Creating better places	4,920,481	-	275,356	5,195,837
Improving peoples prospects	7,236,708	-	404,974	7,641,682
Promoting greener living and working	5,349,975	-	299,390	5,649,365
	<u>17,507,164</u>	-	<u>979,720</u>	<u>18,486,884</u>

	Grants to institutions	Grants to individuals	Grant support costs	2023 Total
	£	£	£	£
Analysis of grants				
Creating better places	6,669,517	-	333,908	7,003,425
Improving peoples prospects	8,358,181	-	414,305	8,772,486
Promoting greener living and working	4,067,796	-	203,653	4,271,449
	<u>19,095,494</u>	-	<u>951,866</u>	<u>20,047,360</u>

	2024	2023
	£	£
Support costs are analysed as follows:		
Staff costs	709,810	687,912
Temporary staff and recruitment	3,071	2,524
Legal and professional	33,062	33,380
Travel and subsistence	8,650	8,761
Training and meetings	17,783	17,594
IT support	90,800	94,283
Other costs	116,544	107,412
	<u>979,720</u>	<u>951,866</u>

6. Employees

	2024	2023
	£	£
The average monthly number of employees during the year was as follows:		
Programme management	37	37
Management and administration	5	4
Fundraising and communications	12	10
	54	51

	2024	2023
	£	£
The aggregated cost of these persons was as follows:		
Wages and salaries	1,758,417	1,600,363
Social security costs	177,050	164,562
Pension costs (see note 19)	289,556	248,940
	2,225,023	2,013,865

	2024	2023
	£	£
The emoluments of employees (excluding pension contributions) over £60,000 per annum are disclosed in £10,000 bands as follows:		
£60,000 - £70,000	2	2
£80,000 - £90,000	1	1
	3	3

The key senior management personnel of the charity are the Chief Executive Officer, Director of Finance and Corporate Services, Director of Partnerships and Programmes, Head of Contracts and Communications Manager with a total cost in 2024 of £369,717 (2023 - £350,061)

Total contributions under defined contribution schemes on behalf of these higher paid employees in 2024 were £24,780 (2024 - £23,485)

7. Transactions with trustees

During the year ending 31st March 2024 2 trustees were reimbursed for travel costs amounting to £825 (2023 - 5 trustees £388 travel costs).

No Trustees received any remuneration during the year.

8. Net incoming resources

	2024	2023
	£	£
Net incoming resources for the year is stated after charging:		
Auditor's remuneration:		
Audit – company	17,385	16,400
Depreciation	16,381	17,513
	<u> </u>	<u> </u>

Premiums in 2024 £699 (2023: £659) were paid on a professional indemnity policy to protect the charity and trustees from loss arising from neglect or defaults of trustees.

9. Tangible assets

	Office equipment	Total
	£	£
COST OR VALUATION		
At 1 April 2023	71,215	71,215
Additions	7,235	7,235
	<u> </u>	<u> </u>
At 31 March 2024	78,450	78,450
DEPRECIATION		
At 1 April 2023	51,100	51,099
Charged for the year	16,381	16,381
	<u> </u>	<u> </u>
At 31 March 2024	67,481	67,480
NET BOOK VALUE		
At 31 March 2024	10,969	10,969
	<u> </u>	<u> </u>
At 31 March 2023	20,115	20,115

10. Investments held as fixed assets

	Shares in subsidiary undertakings
	£
COST	
At 1 April 2023	3
Disposals	-
At 31 March 2024	3

NAME	Nature of business registration	Country of registration	Class of shares held	Proportion
Groundwork Trade Association Ltd	Dormant	England	Ordinary	100%
Groundwork Enterprises Ltd	Dormant	England	Ordinary	100%
Groundwork UK Ltd	Dormant	England	Ordinary	100%

	2024	2023
	£	£
SUBSIDIARY UNDERTAKING		
Groundwork Trade Association Ltd	4,000	4,000
Groundwork Enterprises Ltd	25,002	25,002
Groundwork UK Ltd	1	1

11. Fixed asset investments

	£
COST	
At 1 April 2023	1,951,524
Investments	-
Net loss on revaluation	119,276
At 31 March 2024	2,070,800

Investments are held in a managed mixed fund, which is designed to deliver a return of between 3% and 4% above the Consumer Price Index, over a rolling three-year period.

12. Debtors

	2024	2023
	£	£
Grants receivable	2,142,454	5,930,069
Other debtors	335	-
Prepayments and accrued income	7,145,816	6,835,282
	9,288,605	12,765,351

13. Creditors

	2024	2023
	£	£
Grants due and payable	8,690,487	11,312,641
Agency creditor	768,065	1,663,104
Social security and other taxes	43,803	62,914
Other creditors	117,802	260,538
Accruals	1,237,793	662,839
Deferred income (note 14)	695,108	822,098
	11,553,058	14,784,134

	Balance at 1 April 2023	Amount paid in year	Amount accrued in the year	Balance at 31 March 2024
	£	£	£	£
Grants due and payable	11,312,641	8,487,412	5,865,258	8,690,487
Agency creditor	1,663,104	2,947,789	2,052,750	768,065

	Balance at 1 April 2022	Amount paid in year	Amount accrued in the year	Balance at 31 March 2023
	£	£	£	£
Grants due and payable	9,451,765	3,631,112	5,491,988	11,312,641
Agency creditor	5,932,240	6,831,748	2,562,612	1,663,104

14. Deferred income

	Balance at 1 April 2023	Amount released to incoming resources	Amount deferred in the year	Balance at 31 March 2024
	£	£	£	£
Movements in deferred income during the year were as follows:				
Community projects	822,098	822,098	695,108	695,108
	822,098	822,098	695,108	695,108
	<i>Balance at 1 April 2022</i>	<i>Amount released to incoming resources</i>	<i>Amount deferred in the year</i>	<i>Balance at 31 March 2023</i>
	£	£	£	£
Community projects	425,587	425,587	822,098	822,098
	425,587	425,587	822,098	822,098

Income is deferred where it is linked to milestones in future periods.

15. Analysis of net assets

	Unrestricted funds	Restricted funds	Total 2024
	£	£	£
Tangible fixed assets	10,969	-	10,969
Investments	2,070,803	-	2,070,803
Net current assets	791,378	1,175,666	1,967,044
Provision for liabilities	-10,000	-	-10,000
	<u>2,863,150</u>	<u>1,175,666</u>	<u>4,038,816</u>
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total 2023</i>
	£	£	£
<i>Tangible fixed assets</i>	20,116	-	20,116
<i>Investments</i>	1,951,527	-	1,951,527
<i>Net current assets</i>	748,869	2,527,044	3,275,913
<i>Provision for liabilities</i>	-10,000	-	-10,000
	<u>2,710,512</u>	<u>2,527,044</u>	<u>5,237,556</u>

16. Statement of funds

	Designated fund	General fund	Total
	£	£	£
UNRESTRICTED FUNDS			
At 1st April 2023	411,305	2,299,207	2,710,512
Incoming resources	-	5,877,456	5,877,456
Resources expended	-50,190	-5,793,904	-5,844,094
Transfers	121,615	-121,615	-
Loss on investment	-	119,276	119,276
At 31 March 2024	<u>482,730</u>	<u>2,380,420</u>	<u>2,863,150</u>

Statement of Funds (continued)

	Designated fund £	General fund £	Total £
UNRESTRICTED FUNDS			
At 1 April 2022	293,479	2,413,978	2,707,457
Incoming resources	-	3,951,729	3,951,729
Resources expended	-123,974	-3,663,180	-3,787,154
Transfers	-	-161,520	-161,520
Surplus on investments	241,800	-241,800	-
At 31 March 2023	411,305	2,299,207	2,710,512

Designated funds include £200k to support a new fundraising strategy, £126k to support collaboration across the Groundwork federation and £159k to promote programmes aligned to our strategic priorities.

Restricted funds comprise performance related grants as follows:	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
RESTRICTED FUNDS				
Bupa	-	615,467	-556,577	58,890
Tesco Community Grants	-	6,281,569	-6,281,569	-
HS2 Grants	-	2,272,090	-2,272,090	-
Comic Relief	841,923	391,375	-1,193,443	39,855
Cadent Foundation	693,507	1,658,304	-1,882,613	469,198
DCMS - Energy Efficiency Scheme	-	688,846	-688,846	-
Home Office	174,697	138,485	-221,665	91,517
Firethorn Trust	135,547	-	-135,547	-
Onestop Carriers for Causes	65,544	35,000	-27,800	72,744
Redress - Energy Efficiency Scheme	-	421,928	-445,947	-24,019
The National Lottery Community Fund	17,415	14,768	-1,271	30,912
The National Lottery Heritage Fund	-	1,755,300	-1,736,767	18,533
Other Programmes	598,411	1,156,406	-1,336,781	418,036
	2,527,044	15,429,538	-16,780,916	1,175,666

Large programmes include:

Tesco Community Grants	Grants to fund local community projects, voted for by Tesco customers
HS2 Grants	Grants to organisations to mitigate the disruption of HS2 construction.
Comic Relief	Grant funding to community led organisations to support capacity building and project delivery.
Cadent Foundation	Funding for energy efficiency advice and measures to vulnerable households, delivered by Groundwork 'Green Doctors'.
DCMS - Energy Efficiency Scheme	Grants to Community organisations to improve energy efficiency
Redress - Energy Efficiency Scheme	Support to vulnerable customers to reduce energy bills
The National Lottery Community Fund	Coaching for young people who are furthest away from the labour market
The National Lottery Heritage Fund	Work placements in the green job sector aimed at participants from diverse backgrounds

	<i>Balance at 1 April 2022</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Balance at 31 March 2023</i>
	£	£	£	£
RESTRICTED FUNDS				
Tesco Community Grants	-	8,727,550	-8,727,550	-
HS2 Grants	-	2,335,165	-2,335,165	-
Comic Relief	864,000	1,552,000	-1,574,077	841,923
ESF Community Grants	29,645	1,457,773	-1,481,300	6,118
Cadent Foundation	815,578	537,608	-875,113	478,073
Home Office	-	377,313	-202,616	174,697
Firethorn Trust	-	362,500	-226,953	135,547
Onestop Carriers for Causes	138,034	293,000	-365,490	65,544
The National Lottery Community Fund	46,067	1,280,037	-1,308,689	17,415
The National Lottery Heritage Fund	8,082	-	-8,082	-
Other Programmes	999,608	1,889,444	-2,081,325	807,727
	<u>2,901,014</u>	<u>18,310,814</u>	<u>-19,186,360</u>	<u>2,527,044</u>

Programme funds are only available for expenditure in accordance with the funders' directions.



17. Commitments under operating leases

As at 31st March 2024, the charity had total commitments under a non-cancellable lease for premises as set out below.

	2024	2023
	£	£
Within 1 Year	53,704	53,704
1-2 Years	46,032	53,704
2-5 Years	-	46,032
	99,736	153,440

£53,704 was expensed during the year (2023: £57,204)

18. Provision for dilapidation

A provision of £10,000 has been included to cover the possible dilapidation costs associated with the lease of the Walker Building. This will be reviewed annually to ensure it is sufficient to cover future possible liabilities.

19. Pensions

During the year ended 31 March 2024 Groundwork UK paid contributions into a defined contribution scheme. The total charge to the defined contribution scheme amounted to £289,556 (2023: £248,940). Contributions outstanding at the year-end amounted to £24,420 (2023: £22,351).

20. Related party transactions

At the year-end a balance of £4,000 (2023: £4,000) was owed to Groundwork Trade Association Limited, a wholly owned subsidiary of the company. There are no other related party transactions.

21. Reconciliation of net income to net cash flow from operating activities

	2024	2023
	£	£
Net income for the reporting period (as per the SOFA)	-1,198,740	-370,915
ADJUSTED FOR:		
Losses / (Gains) on Investments	-119,276	161,520
Depreciation charge	16,381	17,513
Investment income	-210,049	-128,330
(Increase) / Decrease in debtors	3,476,746	608,610
Increase / (Decrease) in creditors	-3,231,076	-3,949,221
Net cash provided by (used in) operating activities	-1,266,014	-3,660,823

22. Grants payable

All grants payable relate to institutional grants paid to Groundwork Trusts, delivery partners and community groups. The detailed breakdown of all grant payments is available on request from the charity's principal address.

23. Financial Instruments

	2024	2023
	£	£
Groundwork UK's financial instruments may be analysed as follows:		
FINANCIAL ASSETS		
Financial assets measured at fair value through profit and loss:		
Investments	2,070,800	1,951,524
	2,070,800	1,951,524

Financial assets measured at fair value through profit or loss comprise fixed asset investments in a trading portfolio of listed company shares.

Groundwork UK would like to thank all its funders and partners. Our work to support communities has benefited significantly from funds provided by the following organisations:

	£
Access - The Foundation for Social Investment	143,431
Balfour Beatty	21,451
Bupa Foundation	627,927
Cadent Foundation	1,561,807
Cadent Gas Limited	647,083
CAF	90,338
Capgemini	3,200
Centrica	308,437
City & Guilds	181,107
Comic Relief Community Fund (England)	486,213
Central England Coop	160,501
Deloitte	12,900
Department for Digital, Cultural, Media & Sport	808,281
Encirc	131,000
Energy Saving Trust	498,823
Grosvenor	143,395
GVA	14,977
Hatch Enterprise	187,076
Home Office	171,396
HS2 Limited	3,143,971
Jones Lang Lasalle Limited	33,514
KPMG LLP	19,440
Lacka Foods	133,128
Long Harbour	12,000
Department for Levelling up, Housing & Communities	2,183,264
UK Year CIC	45,750
NPC - Everyone's Environment	17,613
NHS Property Services	142,736
Northern Gas Network	320,871
One Stop Stores	175,515
Price Waterhouse Coopers	42,782
Segro	205,581
Education & Skills Funding Agency	16,285
Sopra Steria	25,000
Swire Charitable Trust	50,000
Teacheractive Limited	10,000
Tesco PLC	10,631,693
Thrive	30,812
The National Lottery Community Fund	14,768
The National Lottery Heritage Fund	1,311,844
Veolia	46,508
Way of Life	5,437
WWF- UK	16,593

These figures are based on invoiced amounts during the financial year.

Advisers

Auditors

Crowe U.K. LLP

Black Country House
Rounds Green Road
Oldbury B69 2DG

Investment Managers

Cazenove Capital

1 London Wall Place
London EC2Y 5AU

Bankers

The Co-operative Bank plc

PO Box 82
118-120 Colmore Row
Birmingham B3 3BA

HSBC

114 High Street
Stourbridge DY8 1DZ

Scottish Widows Bank plc

PO Box 12757
67 Morrison Street
Edinburgh EH3 8YJ

Solicitors

Anthony Collins Solicitors LLP

134 Edmund Street
Birmingham B3 2ES

The Board of Trustees

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

Appointed trustees	First appointed	Last appointed	Retired/resigned
Stuart Bonham	December 2019	AGM 2023	
Katrina Cunliffe	March 2023	AGM 2023	
Jeff Greenidge	March 2019	AGM 2022	Resigned June 2024
Patrick Hughes	September 2021	AGM 2021	
Margot Madin	September 2022	AGM 2022	
Antony Nelson	March 2019	AGM 2022	
James Parkin	June 2024		
Nigel Reader	July 2021	AGM 2021	
Paul Roots	March 2019	AGM 2022	
Anne-Marie Simpson	AGM 2023	AGM 2023	
Alan Smith	June 2014	AGM 2020	Resigned September 2023
Andrew Thurston	January 2021	AGM 2021	
Co-opted trustees	First appointed	Last appointed	Retired/resigned
Faiza Amin	September 2019	AGM 2022	
Karen Balmer	September 2022	AGM 2022	
Graham Hartley (Chair)	August 2015	AGM 2021	Retired September 2024
Claire Marshall	December 2021	AGM 2022	
Oona Muirhead	June 2024		
Graham Parry	September 2022	AGM 2022	
Jack White	September 2019	AGM 2022	

Company Secretary

Paul Viles

Committees of the Board

Chairs' Committee	Chair	Graham Hartley
Federation Executive Team	Chair	Graham Parry
Groundwork UK Committee	Chair	Claire Marshall
Audit Committee	Chair	Stuart Bonham

Chief Executive

Graham Duxbury



GROUNDWORK

To find out more about Groundwork,
please get in touch:

www.groundwork.org.uk

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Published December 2024

Groundwork UK is the operating name of the Federation of Groundwork Trusts, a company limited by guarantee.
Company Registration Number: 1900511. Charity Registration No: 291558

THE FEDERATION OF GROUNDWORK TRUSTS

England & Wales - Charity number 291558

Accounts

2022/23



The Federation Of Groundwork Trusts

(Operating as Groundwork UK)

Annual Report and Financial Statements



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About Groundwork UK

Groundwork supports practical action to create a fair and green future in which people, places and nature thrive.

We believe that working with local communities and businesses to help them build their capacity and resilience is vital if we are to tackle hardship, achieve a just transition to net-zero and help nature recover in a way that reduces inequality and leads to better work and healthier, happier lives.

What this means in practice is: helping people get jobs and supporting the growth of the green economy; reducing the waste of energy, food and water; creating and maintaining biodiverse, accessible green spaces; supporting businesses to be more successful and responsible; and empowering communities to take action to improve their health and wellbeing and the local and global environment.

Groundwork UK is the central body of Groundwork, responsible for the brand, systems and agreements that hold the federation together. We add value to Groundwork's local activities by building the organisation's profile, developing strategic relationships with partners and funders, managing programmes and contracts delivered by Groundwork Trusts and others and furthering Groundwork's mission by distributing grants to other charities and community groups on behalf of public bodies and private businesses. We act as Groundwork's national voice in the outside world and help all parts of Groundwork gain the benefits of being in a federation by providing opportunities to collaborate, share ideas and capacity and learn from good practice.

Groundwork UK is registered as a company and charity under the name The Federation of Groundwork Trusts, denoting its status as the membership body for Groundwork Trusts.

This report outlines the activity, priorities and financial position of Groundwork UK and how it contributes to Groundwork's collective achievements and impact, more details of which can be found at www.groundwork.org.uk.

Chair's Statement

We're living through a time of enormous instability. Global conflict and the beginnings of climate breakdown are disrupting our lives and exacerbating other challenges - from migration to the cost of basic commodities. In the UK our politics have been volatile to say the least and economic turbulence has left many people not just 'feeling the pinch' but facing destitution.

As is always the case, national and international crises impact first and worst on those in our society with least choice and least protection, and many communities are bearing the brunt of decisions and circumstances over which they feel they have no control.

For any charity supporting the most vulnerable and trying to find positive routes for people to take action this has been a challenging time. The need for Groundwork's projects and services has increased significantly, whether we're trying to help people manage rising utility bills, supporting people with long-term health conditions to find work or funding community groups to maintain green spaces and clean up rivers or make sure children are fed.

I'm really pleased that, over the last 12 months, Groundwork UK – and the wider Groundwork federation of which it is part – has been a point of stability, maintaining and growing its range of programmes to help those who need it most.

The grant programmes we run with our longstanding partners – Tesco, Comic Relief, HS2 and a number of government departments – have continued to provide funds to organisations delivering vital work in local communities. Thanks to Cadent and the Cadent Foundation we have been able to grow the level of support we offer to people in fuel poverty when it matters most. We have supplemented this with innovative programmes such as New to Nature, helping young people get jobs and helping the environmental sector ensure its vital work is more accessible to a wider range of audiences.

Our new five-year strategic plan sets out how we'll continue to innovate and to challenge ourselves to do as much as we can to ensure a transition to a fair and green future in which people, places and nature thrive. It's an exciting vision at a time of real possibility – to help those who need it find work in a green economy, to support communities through the cost of living crisis and to help prepare and adapt our homes, communities and local environments for the challenges we know climate change will bring.

I continue to be immensely proud of the work this organisation delivers and I'd like to thank my fellow trustees from across the federation for their enormous commitment and support over the last year. Groundwork is thriving and has the resilience and resources to help communities thrive whatever the future has in store.



Graham Hartley, Chair - 19 September 2023

Governance

How we are organised and governed

Groundwork UK is the operating name of The Federation of Groundwork Trusts, a charity and a company limited by guarantee. The governing documents are its Memorandum and Articles of Association, which were last amended by written resolution on 6 December 2018.

Membership of Groundwork UK comprises Groundwork Trusts. Groundwork Trusts are registered charities and companies limited by guarantee with similar objects to Groundwork UK but delivering in local areas across the UK. A membership agreement sets out our internal roles, relationships and behaviours and the whole of Groundwork operates to a collectively agreed federation strategy, which is overseen by our Board of Trustees.

The Board of Trustees comprises the trustees of Groundwork UK in accordance with the Charities Act 2011, who are also the directors of the company in accordance with the Companies Act 2006. The majority of our trustees are appointed from the boards of our member Groundwork Trusts. A number of independent trustees, including our Chair, are co-opted by the Board on account of their skills, experience or networks.

Our trustees are responsible for ensuring Groundwork UK is managed effectively and efficiently with appropriate systems, processes and policies governing our fundraising and financial management, our assets and investments and our responsibilities to our staff, volunteers and beneficiaries. Trustees pay particular attention to our responsibilities in respect of health and safety, safeguarding and cybersecurity, and we also have trustee champions overseeing our work to reduce our carbon footprint and promote equity, diversity and inclusion across our organisation.

The work of the Board is supported by four sub-committees:

Groundwork UK Committee - overseeing the development and management of our programmes and services, ensuring risks are managed and supporting the operational and financial performance of our organisation.

Groundwork UK Audit & Remuneration Committee – overseeing our audit process, reviewing our Annual Report and Financial Statements and helping to make decisions on pay and reward.

Federation Executive Team – executives from each Groundwork Trust supporting the Board with the formulation of strategy and policy for the whole of Groundwork.

Chairs' Committee – comprising the Chairs of the three committees above and assisting with appointments to the Board, including selection of the Federation Chair.

As a charity supporting young people to play an active role in their communities, we want to ensure that our strategic decision-making and operational plans are informed by the views of young people. Our **Youth Advisory Board** acts as a sounding board for our internal teams and provides a platform for building and supporting a wider network of young people to improve their own lives and neighbourhoods. We also seek regular feedback from community groups we support through our grant programmes, and from other partners and stakeholders to ensure our plans respond to the needs of those they're designed to benefit.

Groundwork UK's Management Team is led by the Chief Executive and includes senior staff members responsible for financial management and corporate services, partnerships and fundraising, policy and communications and delivery and learning. This team operates through delegated powers outlined in our financial regulations and provides regular reports on financial and operational performance and risk management.

Relationships within Groundwork

Groundwork is a federation of independent charities, each working under a common brand and to a set of common standards. Groundwork Trusts make their own decisions about the project work they develop and deliver, but our collectively agreed federation strategy identifies areas of delivery or management that will be the focus for collaborative activity – ensuring the 'Groundwork whole' is greater than the sum of the parts.

Groundwork UK delivers services and activities to support Groundwork Trusts and the delivery of Groundwork's mission and strategy. Groundwork UK is held to account for its performance by the rest of the federation, with each Groundwork Trust a company member. A federation membership agreement sets out the commitments made by all parts of Groundwork in relation to quality, governance and ways of working and defines the functions Groundwork UK will deliver on behalf of the federation.

The appointed trustees of Groundwork UK are also trustees of Groundwork Trusts but are not considered to be related parties under the definition of the SORP and transactions between Groundwork UK and Groundwork Trusts do not require separate disclosure. Groundwork UK has considered the other disclosure requirements of the SORP and believes that there are no other related party transactions.

Our commitments

The Board is committed to the principles of good governance set out in the Charity Commission Governance Code and all boards within Groundwork regularly review their performance against this standard.

Our federation strategy sets out the principles which underpin all of our work.

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

The Groundwork UK staff team has agreed a set of values to inform the way we work and behave. We are **environmentally aware** and focused on **communities in need**. We are **collaborative**, show **integrity** and strive for **quality** in everything we do.

Our decisions, actions and operations are guided by our sustainable development policy, which sets out how we will contribute to creating a strong and just society living within environmental limits, and how we will work towards ‘net zero’ carbon emissions.

As a charity dedicated to supporting people who may be vulnerable we are committed to ensuring our operations are delivered safely and that our staff, volunteers and service users are able to speak freely about any concerns they have. We have a Groundwork-wide commitment to effective safeguarding and comprehensive complaints and whistleblowing procedures.

Our work is designed to address the needs of all sections of the community and we provide equal access to our services regardless of people’s backgrounds, circumstances or characteristics. We monitor levels of diversity within our staff team to ensure it reflects the communities of which we are a part and regularly gather feedback from colleagues about our culture, recruitment processes and employment practices to ensure they are inclusive.

Groundwork UK pays particular regard to its duties as a programme and grant manager, ensuring safeguarding, EDI and sustainability considerations are embedded in due diligence, monitoring and feedback processes.

Groundwork UK is registered with the Fundraising Regulator and complies with all relevant codes of practice. All of our fundraising is managed internally and we do not employ commercial participators or professional third-party fundraisers.

More information about our approach and commitments can be found here - [Our approach and commitments - Groundwork](#)

Objectives and Public Benefit

Groundwork UK is a public benefit entity, whose primary objective is to provide goods or services for the general public or social benefit and where any risk capital has been provided with a view to supporting that primary objective rather than with a view to a financial return to its members

Groundwork UK's charitable objectives are set down in its Memorandum of Association and date from the interpretation of charitable activities when they were drafted in 1985, as amended at annual general meetings and by written resolution. They commit Groundwork UK to delivering and promoting **regeneration** and **sustainable development** as follows.

- > To conserve, protect and **improve the physical and natural environment** anywhere in the United Kingdom and Republic of Ireland.
- > To **improve quality of life** by providing welfare, recreation or leisure facilities.
- > To advance public **education in environmental matters**.
- > To promote **urban or rural regeneration** in areas of social and economic deprivation through:
 1. The relief of poverty and unemployment
 2. Providing education, training or work experience for people who are unemployed
 3. Delivering financial assistance, technical assistance, business advice or consultancy in order to help people get back to work
 4. Creating training and employment opportunities by providing work space, buildings and land
 5. Maintaining or improving public amenities such as footpaths and cycle ways
 6. The preservation of buildings or sites of historic or architectural importance
 7. Reclaiming derelict land for use as open space
 8. Providing public health facilities and schemes to promote healthier living
 9. Alleviating anti-social behaviour and supporting crime prevention.
- > To promote **sustainable development** for the benefit of the public by:
 1. Preserving, conserving and protecting the environment
 2. Promoting the prudent use of natural resources
 3. Improving quality of life in socially and economically disadvantaged communities
 4. Promoting sustainable means of achieving economic and social growth and regeneration
 5. Educating the public in how to protect and improve the environment.
- > To promote the **efficiency and effectiveness of charities** in helping them deliver their objectives by providing information, advice and assistance.

Groundwork UK's trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the organisation's objectives and planning future activities. In particular, the trustees consider how planned activities will contribute to the charitable objectives set out above. Further details about the impact of Groundwork UK's activities during 2022/23 can be found on the following pages

Strategic Report for the Year Ended 31st March 2023

The Board of Trustees presents its report for the year ended 31 March 2023. This includes:

- > **Page 3** **An introduction to our organisation**
- > **Page 5-8** **Our governance and objectives**
- > **Page 9-22** **Our financial and operational review for the year**
- > **Page 14** **Our plans for the future**
- > **Page 52-54** **Details of our trustees, senior staff and advisers**

1. Performance overview

Despite the political and economic turbulence of the last year, Groundwork UK – in common with the wider Groundwork federation – has had a successful year, both operationally and financially, with growth in both our programme base and staffing levels, enabling us to extend our impact and support more people and communities in need.

Our work has helped the federation generate more than £100m in 2022/23 to deliver a wide range of projects, programmes and services that help people improve their prospects, create better places and protect the planet.

This has included supporting nearly 8,000 community organisations, 2,000 schools and 1,000 local businesses, in the process improving 1,100 public spaces, helping 19,000 households improve their energy and water efficiency, supporting 7,800 people into education, training or work, planting 31,000 trees and avoiding 2,450 tonnes of CO₂.

Groundwork UK has supported this work by building Groundwork's visibility and credibility, facilitating collaboration and learning within the federation and managing programmes that help deliver our collective mission

- > Our portfolio of grant management programmes has continued to expand and diversify with existing relationships with Tesco, HS2, Comic Relief and the Department of Levelling Up, Housing and Communities supplemented by new programmes with the Home Office and Department for Culture, Media and Sport. We have also grown our activity to support enterprise development in the environmental sector through partnerships with Access, the Social Investment Business and Hatch. During the last year we distributed grants totalling some £19m to more than 7,500 charities and community groups. We also marked the milestone of distributing £100m to communities through our six-year partnership with Tesco.
- > We have continued to enjoy success in developing local delivery programmes linked to core priorities within the federation – green jobs, supporting young people and tackling fuel poverty. With funding from the Cadent Foundation and the Energy Redress Fund, we have helped Groundwork expand and develop its work to help people struggling to pay their energy bills and keep warm. We brought to a successful conclusion our Progress programme, which helped more than 1,700 young people in the West Midlands overcome a range of barriers to finding work, and launched our New to Nature programme, funded by the National Lottery Heritage Fund, which is helping 95 young people from diverse backgrounds get their first experience of work in the environmental sector.
- > Our roster of business partnerships continues to grow with major companies including Grosvenor, Balfour Beatty, Veolia, Segro, Firethorn and One Stop supporting us with funds during the year, and many more helping us extend our support for communities through volunteering events.
- > Our communications work has achieved significant results in terms of online engagement and specialist press coverage linked to our programmes and policy reports. A highlight of the year was the programme of events and publications to mark our 40th anniversary as a network, offering a chance to thank our partners, re-connect with those who have been part of our journey and look to the future through the eyes of some of our younger employees and supporters.
- > We have continued to represent Groundwork in an expanding range of policy networks linked to green jobs, energy efficiency, education, access to nature and social prescribing and built new alliances with organisations focused on ensuring a ‘just transition’, joining up social and environmental outcomes, for example through our work with New Philanthropy Capital on their Everyone’s Environment programme.

- > Financially we have generated an operating surplus which has allowed us to maintain our level of unrestricted reserves in line with our reserves policy, help our staff cope with the rising cost of living and invest in the systems and infrastructure we need to ensure efficient and effective operation.
- > Our people management metrics remain positive with high levels of commitment and satisfaction within the staff team and low levels of absence and staff turnover. During the year we have prioritised a number of actions designed to improve our organisation and ensure it continues to be a great place to work.
 1. We have maintained a flexible approach to employment, allowing team members to benefit from home working while promoting regular interaction within and between teams in our Birmingham office.
 2. We have agreed increased staffing levels in all areas of the team, ensuring we have sufficient capacity to maintain manageable workloads given our growing portfolio of programmes.
 3. We have invested in the establishment and development of an Operational Management Team able to work with the Senior Management Team to provide consistency and clarity on all aspects of Groundwork UK's business management.
 4. We have initiated a process to transfer our data into the Microsoft cloud, which will improve cybersecurity and enable us to make better use of the full capabilities of Office365.
 5. We have recruited additional members to the Groundwork UK Committee bringing greater levels of expertise and diversity to our governance.
 6. We have progressed key aspects of our EDI action plan, and undertaken a self-assessment to help inform future priorities.

We are committed to meeting the business management standards agreed by the federation and acting in a way which is consistent with the terms of the Groundwork Membership Agreement, which prioritises good governance, consistent quality, collaboration and inclusion.

Performance against our business plan KPIs to the end of March 2023 is given below.

	Measure	Target	Performance
KPI1	New programme contribution secured	£250k	£302k
KPI2	Unrestricted income secured	£150k	£173k
KPI3	Grant programme performance	90% of KPIs low risk	96%
KPI4	Delivery programme performance	75% of KPIs low risk	85%
KPI5	Stakeholder satisfaction	90%	96%

2. Sustainable Development Report

Protecting and improving the environment is central to our mission and a core value for our staff team. We recognise the need to make improvements to our own performance in order that we can be seen as an environmental exemplar.

Our staff-led 'Sustainable Living under Groundwork' team continues to deliver awareness-raising campaigns to promote behaviour change, focussing this year on energy saving, food waste and digital behaviours.

We have embedded Carbon Literacy across our staff team, investing in an in-house training team who are supporting colleagues to obtain a Carbon Literacy certificate and generate pledges that will inform our Climate Action Plan for the year ahead.

We have updated our investment strategy and appointed new investment managers who will help us divest from fossil fuels. We have also helped colleagues explore opportunities to amend their pension portfolio to include more sustainable options.

As part of the Groundwork federation carbon reduction commitment, we have continued to measure our carbon footprint year on year, with our most recent footprint in 2022 calculated at 9.9 tonnes of CO₂ equivalent, down from the baseline carbon footprint of 70.6 tonnes of CO₂ equivalent. This change has largely been driven by our move to smaller, more modern premises and greater home working, though work will continue to develop more sophisticated ways of understanding the true carbon impact of hybrid working arrangements.

We recognise that, as a small staff team, the greatest contribution we can make to sustainable development is through the programmes we develop and deliver. During the year we have supported an increasing number of Green Doctor visits, helping 4,500 households to save energy, including installing 29,000 energy saving measures. Our environmental improvement projects are helping to address the loss of biodiversity in urban areas, whilst enthusing local people about the importance of nature. For example, our Veolia Orchard programme has supported 100 schools across the country to plant 500 fruit trees and install 100 bird boxes. Each orchard will become a learning resource for pupils, building environmental awareness and action from an early age.

Our next priority is to create a carbon reduction 'pathway', identifying year on year opportunities to reduce our carbon outputs, which will be agreed by our Board and worked into annual business planning exercises, further demonstrating our commitment to improving our environmental performance and altering our business practices to mitigate our impact.

3. Equity, Diversity and Inclusion

As a federation, Groundwork has committed to ensuring it embeds good practice in relation to equity, diversity and inclusion in the way it manages its people and delivers its projects, programmes and services. Groundwork UK's EDI working group continues to deliver a programme of activities informed by team-wide surveys and a self-assessment process.

With support from the consultancy Mission Diverse we have progressed our team training programme with sessions on deaf awareness and micro-aggressions and started to develop a calendar of awareness-raising events for the team.

We participated in the pilot of the [RACE Report](#) in 2022/23, a programme to measure and improve the racial diversity of the environmental sector, and as a result of this have improved data capture within the organisation so that we are better placed to analyse diversity trends and issues.

We have also initiated work to explore what more could be done to embed our EDI commitments in the way we implement and manage our programmes, including working with Disability Rights UK to assess the accessibility of our grant programmes.

Looking to the future we will be seeking to embed in our management processes learning being generated by our New to Nature programme, which is helping to identify the employment barriers faced by people with disabilities or from low income or minority ethnic backgrounds.

Groundwork UK's gender pay gap stands at 28% (2022: 19%). With the highest earner removed the pay gap is 17%. We continue to address this by providing flexible working arrangements and prioritising internal development opportunities. 54% of all posts recruited over the last three years were filled by an internal candidate progressing into a higher paid role.

Analysis of all recruitment exercises undertaken in the last three years shows that:

- > 62% of applicants for posts offered by Groundwork UK were women and 84% of those recruited were women
- > 33% of applicants for posts identified as non-white British with 20% of those recruited identifying as non-white British.

4. Our plans for the future

As we look to the future we recognise that our plans will be influenced and informed by a number of trends impacting on the policy and funding landscape.

- > Reductions to public spending coupled with high levels of inflation and continued volatility in the energy market mean need amongst communities and individuals is continuing to rise with a cost of living 'crisis' becoming entrenched hardship.
- > Tighter budgets are likely to lead to more organisations – in particular public bodies – seeking out creative solutions to increased social, economic and environmental need.
- > The impacts of climate change are becoming increasingly apparent with communities having to contend with extreme weather events and many suffering the effects of environmental injustice in terms of air pollution, flood risk, access to green space and lack of affordable public transport and fresh food.
- > At the same time, however, there is a risk that environmental commitments come under pressure as political parties gear up for a general election expected in 2024.
- > Challenges in the labour market caused by high levels of economic inactivity are leading to a search for new approaches to helping young people who are not in employment, education or training, older people who have left the workforce and people experiencing health issues.
- > The roll-out of programmes previously agreed by government as part of its net zero commitments – including major programmes of tree planting and housing decarbonisation – will increase the need for a supply of green skills, creating new economic opportunities for those currently out of work.
- > The need to maximise the impact of public funds will mean greater emphasis on market-based mechanisms to drive nature recovery and natural solutions to climate change and could open up new possibilities for enterprise development.
- > Businesses will continue to prioritise investment in community programmes and sustainability initiatives in line with their ESG goals and the increasing use of social value clauses in public procurement exercises, though a prolonged recession would impact on the level of funds available in some sectors.
- > The agreement of how dormant asset funds might be used may present new opportunities for programmes supporting communities, young people and green enterprise.

Groundwork UK's priorities and plans are also shaped by the ongoing evolution of the Groundwork federation.

- > After several years of change and consolidation the structure and governance of the federation is strong and stable, though it is recognised that Groundwork's resilience will be tested by a prolonged period of austerity.
- > Levels of collaboration within the federation are high, leading to widespread sharing of delivery models and management approaches.
- > More Trusts within the federation are managing multi-regional or national programmes, meaning Groundwork UK needs to be clear about how it adds value and also needs a strategy to diversify its funding so that it is not wholly reliant on programme management fees.
- > There are growing requests from within the federation for Groundwork UK to coordinate networking around priority management issues and delivery themes, and recognition that more thought needs to be given to how 'federation functions' are resourced.

In order to ensure Groundwork UK's activities are fully aligned with the needs and expectations of the federation, our business plan is clearly and explicitly driven by Groundwork's collectively agreed strategy. The strategy commits the whole of Groundwork to working collaboratively to achieve the following aims:

- > **expert services operating at bigger scale to help more people in more places** – Groundwork UK supports this by generating resources for local delivery, marketing and promoting specialist services and building the scale and quality of our national grant management operation.
- > **delivery everywhere supported by stronger systems and more diverse income streams** – Groundwork UK coordinates the federation business management group, is facilitating access to cloud-based IT systems and investing in its fundraising capability to secure greater levels of unrestricted income.
- > **more consistent quality in our delivery so that we maximise our impact** – A key element of Groundwork UK's plan is to prioritise work to support learning across the federation and to drive the rollout of a new impact framework.

The Groundwork federation strategy is being reviewed and a refreshed vision and plan will be launched in the autumn of 2023. This will lead to new opportunities and expectations for Groundwork to facilitate internal collaboration and build the external relationships we need to deliver our collective goals.

Groundwork UK's strategy and priorities

As the central body of the federation, Groundwork UK's purpose is to *build the resilience and environmental sustainability of communities facing hardship and injustice, supporting and working in partnership with Groundwork Trusts in a strong and connected federation.*

In order to achieve this purpose our own strategic objectives are to:

- > support local delivery and distribute grants to help communities take practical action on poverty and the environment
- > drive innovation, networking and learning to improve and expand Groundwork's delivery
- > deliver research and influence policy to support the development of a green economy, promote nature recovery and deliver a just transition to net zero.

Achieving this will require us to:

- > continue driving and supporting culture change across the federation so that we are more impact focused and better equipped to fund our work from a variety of sources
- > live our values by ensuring we are inclusive and participatory in our approach and are seen as an environmental exemplar
- > be an excellent employer, benefiting from diversity and helping our people grow and develop.

We will invest time and resources in a number of priority pieces of work, tracking progress on a quarterly basis.

- > We will invest in income diversification to generate more flexible funds that we can use to support Groundwork's local delivery, test new products and services and fund our collective federation priorities
- > We will prioritise public affairs and positioning and provide a more comprehensive communications service for the federation to enable Trusts to maximise their visibility and credibility with public sector stakeholders.
- > We will develop our reputation and offer as specialists in community grant management to extend Groundwork's mission and generate revenue, including consolidating programme management structures.
- > We will strengthen our support for sharing and learning across the federation in order to extend and improve local delivery – convening networks, supporting collaboration, managing our new impact framework and maximising the benefits of systems.
- > We will continue to build an effective and diverse organisation which reflects the communities we serve and helps people develop their careers.

5. Financial performance

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

- > to keep our overhead costs low to ensure discretionary spending is focused on supporting local delivery and generating more income, while maintaining the capacity we need to operate effectively and safely
- > to achieve at least a break-even position at the end of the year so that we maintain sufficient reserves to sustain our charitable operations, manage the risks attached to outcome-based funding arrangements and invest sufficiently in quality management and income generation
- > to use our financial resources to support the whole of Groundwork to increase its resilience, diversify its income streams and maximise its impact in communities.

Achieving this will require us to:

Net incoming resources for 2022/23 totalled £22.5 million (2022: £21.7 million). Our organisational turnover is heavily dependent on the volume of grants we distribute, which fluctuates from year to year, and is not considered to be the determining factor in our assessment of financial health. Our underlying trading performance resulted in an unrestricted surplus of £127k (2022: £414k), compared to a budget of break even. This outturn is after allowing for a decrease in the value of our investments of £161k caused by turbulence on global financial markets.

This positive outcome has further strengthened our balance sheet and we continue to meet our long-term target for holding reserves. We have designated £200k of our reserves to strengthen our fundraising capabilities in the next two years, giving us a stronger platform for diversifying our income base and delivering even greater impact.

In addition to this income, we received funds and distributed grants totalling £6.8 million, funds for which we are responsible but which are not included in our stated turnover.

5.1 Reserves

In line with our financial strategy, our trustees have agreed that we should aim to hold 12 months operating costs (c£2.8 million) in liquid reserves. We believe this is appropriate for the following reasons:

- > to absorb short term setbacks such as loss or delays in funding
- > to provide the working capital required to finance retrospective programme funding
- > to cover the cost of investing in staff training and development
- > to support the development of new functions and services that improve our effectiveness, efficiency or income generation capability in the long term
- > to set aside funds for capital assets such as ICT equipment
- > to protect against any unforeseen downturn in income and the associated impact on our staff team.

Our reserves policy recognises the need to operate as a responsible charity, maintaining trust with our partners and the public by not generating surpluses for which there is no future requirement or that are used for purposes which are not directly connected to our charitable aims.

Our level of free liquid reserves at the end of 2022/23 is £2.7 million.

Our restricted funds - advance payments from funders pending completion of project work – stand at £2.4 million (2022: £2.9 million). These restricted funds can only be used in accordance with agreements reached with funders and do not form part of the general reserves that are under the control of the trustees. These funds will all be distributed during 2023/24. Movements in restricted funds reflect the long-term nature of Groundwork UK's programme activity and this in no way reflects on the organisation's financial efficiency or performance.

5.2 Investments

The majority of the funds obtained by Groundwork UK are for the delivery of specified projects and are therefore restricted. These funds are mainly distributed to Groundwork Trusts and other delivery partners operating under contract or to third party organisations in the form of grants to support local community projects. Any funds that are built up in advance of expenditure are kept as liquid as possible, whilst making every effort to maximise returns.

Cash that is unrestricted in nature and is not required in the short term (regarded as six months) is considered for long-term investment. We invest these funds in a managed fund arrangement with the aim of guarding against the eroding effects of inflation. In the last year, our investments made a loss of £161k, but delivered dividend income of £64k. All of these funds can be converted into cash without notice or penalty, should there be an immediate need for liquid funds.

During the year we undertook a review of our investment arrangements and our trustees have subsequently agreed to transfer our funds to the Cazenove Responsible Multi-Asset Fund, which is better aligned to our environmental commitments.

5.3 Grant making policy

Groundwork UK delivers its mission primarily by distributing funds to Groundwork Trusts, other delivery partners and to community groups. Grant awards are accounted for as soon as grant panel decisions are made. If an offer is conditional upon events outside the Charity's control and it is possible but not probable that an outflow of economic benefits will arise, such amounts are recognised as contingent liabilities until the grant conditions are fulfilled.

5.4 Principal funding sources

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

- > **Private sector** - £11.9 million (2022: £10.3 million)
This includes funds provided by businesses and private foundations, most notably £7.9 million provided by Tesco to support local community organisations through the Community Grants programme.
 - > **Public sector** - £5.4 million (2022: £5.4 million)
This relates to funding secured from government departments and other public bodies to deliver programmes and services. In particular in 2022/23 this included £1.8m from the Education and Skills Funding Agency.
 - > **Lottery and charitable foundations** - £4.9 million (2022: £5.6 million)
These include grants secured from the National Lottery Heritage Fund and Community Fund to support local delivery and funds distributed to community groups on behalf of Comic Relief.
-

5.5 Expenditure on charitable objectives

Our expenditure in the year was directed towards the following charitable activities.

- > **Community grants** - £16.2 million (2022: £14.1 million)
Providing funds to enable community groups and local charities to deliver projects that improve neighbourhoods and provide support to those who are vulnerable.
- > **Programme delivery** - £4.1 million (2022: £5.1 million)
Providing resources to support local delivery by Groundwork Trusts and other partner organisations as part of commissioned services or funded programmes.
- > **Programme management** - £1.3 million (2022: £1.3 million)
The costs of managing grant distribution and local delivery programmes, including reporting impact and generating learning from our delivery to improve practice and influence future policy.
- > **Fundraising and communications** - £398k (2022: £400k)
The cost of generating resources to support local delivery through campaigns, communications and bidding activities.
- > **Supporting our federation** - £314k (2022: £300k)
Providing systems and support services to enable Groundwork Trusts to communicate effectively, share knowledge and collaborate to achieve greater impact.
- > **Running our organisation** - £402k (2022: £262k)
Ensuring Groundwork UK operates safely and efficiently with appropriate systems, quality standards and premises.

6. Risks and uncertainties

Our trustees understand their responsibilities for ensuring that the major risks to which the charity is exposed are identified and reviewed, and that there are systems in place to mitigate them.

Trustees regularly review our risk management process and receive quarterly updates on actions put in place to mitigate the most significant ongoing risks. Given our role as a distributor of small grants to community organisations we are particularly conscious of the risk of fraud and undertake regular reviews of our due diligence and monitoring processes.

Our ability to deliver our mission continues to be heavily influenced by the policies and priorities of public bodies and by the investment decisions of businesses, which in turn are driven by regulation and the wider public policy backdrop.

We see risks ahead in terms of continuing global instability, the impact of this on Government priorities and spending decisions and the likelihood of further spending delays and increasingly polarised political debate in the lead up to a general election. We also see technological risks given the increasing reliance on online systems to support all areas of our work which leaves us vulnerable to supplier failure, cost increases and cyber threats.

The most significant specific risks for which we have active mitigation strategies in place are as follows:

- > an ICT failure, cybersecurity incident or data breach that leads to loss of capability, financial penalties and/or reputational damage
- > a serious safeguarding, health and safety or fraud incident occurring on a programme managed by Groundwork UK and the impact this could have both on those involved and on our reputation
- > the unexpected withdrawal or clawback of funding from a major partner arising from a failure to meet targets or comply with funding requirements or simply due to changed priorities.

Financial instruments

Groundwork UK'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 fixed assets and working capital through retained reserves.

7. Statement of trustees' responsibilities

Our trustees are responsible for preparing Groundwork UK's Annual Report and Financial Statements in accordance with applicable law and regulations.

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

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

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

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

These financial statements are published on our website in accordance with UK legislation governing the preparation and dissemination of financial statements. The maintenance and integrity of the website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements published.

Events after the year end

There have been no material events after the year end to report

Disclosure of information by the trustees to the auditor

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



Signed on behalf of the Board of Trustees

Graham Hartley, Chair

19 September 2023



Independent Auditor's Report to the Members of The Federation of Groundwork Trusts (Operating as Groundwork UK)

Opinion

We have audited the financial statements of The Federation of Groundwork Trusts for the year ended 31 March 2023, which comprise statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- > give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 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; and
- > have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 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 the Companies Act 2006 requires us to report to you if, in our opinion:

- > adequate accounting records have not been kept; 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 21](#), 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.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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 might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and Safety and Employment legislation.

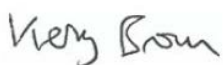
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over income, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing 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, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, 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 non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Kerry Brown (Senior Statutory Auditor)

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 20 December 2023

Statement of Financial Activities

FOR THE YEAR ENDED 31 MARCH 2023

		2023 Unrestricted funds		2023 Restricted funds	2023 Total	2022 Total
	Note	General £	Designated £	£	£	£
INCOME FROM						
Donations and legacies	2	76,061	-	-	76,061	207,792
Charitable activities	3	3,611,582	-	18,812,390	22,423,972	21,284,679
Other trading activities	2	135,756	-	-	135,756	135,000
Investments	2	128,330	-	-	128,330	46,083
Total		3,951,729	-	18,812,390	22,764,119	21,673,554
EXPENDITURE ON						
Raising funds	4	34,770	-	181,116	215,886	185,583
Charitable activities	5	3,628,410	123,974	19,005,244	22,757,628	21,461,169
Total		3,663,180	123,974	19,186,360	22,973,514	21,646,752
Net gains on investment	11	-161,520	-	-	-161,520	57,492
Net income		127,029	-123,974	-373,970	-370,915	84,294
Transfers between funds		-241,800	241,800	-	-	-
Net movement in funds		-114,771	117,826	-373,970	-370,970	84,294
RECONCILIATION OF FUNDS						
Fund balances brought forward	16	2,413,978	293,479	2,901,014	5,608,471	5,524,177
Fund balances carried forward	16	2,299,207	411,305	2,527,044	5,237,556	5,608,471

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 [pages 31 to 51](#) form part of these financial statements.

Charity Balance Sheet

AT 31 MARCH 2023

Company registration number

01900511

	Note	2023		2022	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		20,116		37,629
Investments	11		1,951,534		2,113,044
Investments in subsidiaries	10		3		3
CURRENT ASSETS					
			1,971,643		2,150,676
Debtors	12	12,765,351		13,373,961	
Cash at bank		5,294,696		8,827,189	
		18,060,047		22,201,150	
Creditors: amounts falling due within one year	13	-14,784,134		-18,733,354	
Net Current Assets			3,275,913		3,467,796
Total assets less current liabilities			5,247,556		5,618,471
Creditors: amounts falling due after one year	18		-10,000		-10,000
NET ASSETS			5,237,556		5,608,471
RESERVES					
Unrestricted - General	16		2,299,207		2,413,978
Designated	16		411,305		293,479
Restricted	16		2,527,044		2,901,014
			5,237,556		5,608,471

These finance statements were approved by the Board of Trustees and authorised for issue on 19 September 2023 and signed on its behalf by:



Graham Hartley, Chair

19 September 2023

The notes on **pages 31 to 51** form part of these financial statements.

Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2022/23 £	2021/22 £
CASH FLOW FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	21	(3,660,823)	885,855
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interest and rents from investments		128,330	46,083
Purchase of investments		-	(510,000)
NET CASH PROVIDED BY INVESTMENT ACTIVITIES		(3,532,493)	421,938
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowing		-	-
Change in cash and cash equivalents in the reporting period		(3,532,493)	421,938
Cash and cash equivalents at the beginning of the reporting period		8,827,189	8,405,251
Cash and cash equivalents at the end of the reporting period		5,294,696	8,287,189

Movement in Net Debt

At	1 April 2022 £	Cash flows £	31 March 2023 £
Cash at bank and in hand	8,827,189	(3,532,493)	5,294,696
Debt due within 1 year	-	-	-
Debt due over 1 year	-	-	-
	8,827,189	(3,532,493)	5,294,696

The notes on [pages 31 to 51](#) form part of these financial statements.

Notes forming part of the financial statements

FOR THE YEAR ENDED 31 MARCH 2023

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 under the historical cost convention and comply with the Companies Act 2006. The financial statements have been prepared in accordance with applicable Accounting Standards and comply with the requirements of the Statement of Recommended Practice, "Charities SORP (FRS 102)".

The trustees and senior management consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The results of acquisitions are accounted for from the relevant date of acquisition under the acquisition method of accounting.

Accounting policies are supplemented by estimation techniques where judgement is required in measuring the value of income and expenditure and of assets and liabilities.

b) Grants and other income

Revenue and capital-based grants are credited to the statement of financial activities in the year in which they are received or become receivable under the terms of a grant agreement.

Where grants are considered to be performance related, income is recognised to the extent that the services outlined in the funding agreement had been performed by the year end. Where income has been received but the related services had not been performed by the year-end, the balance is carried forward as deferred income.

Donations are accounted for on a cash received basis. Rental income is recognised in the period to which it relates.

Incoming resources have been allocated between the key strategic areas of activity on a basis consistent with the allocation of expenditure (note 1(d)).

c) Grants payable

Grants offered to Groundwork Trusts and other organisations are typically paid in stages, with stage payments dependent upon the submission of claims detailing the work that has been completed. Claims which fall due within the year, which relate to work completed before the year-end, have been accrued for if they had not been paid during the year.

d) Expenditure

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly allocated, they have been allocated to activities on a basis consistent with the use of resources.

Costs of raising funds relate to the cost of external promotion and publicity to raise the profile of the charity and its objectives and costs associated with bids for funding.

Direct costs of charitable activities are those costs, which have been expended on delivery programmes. Support costs have been allocated to the key strategic areas of activity on the basis of the percentage of staff time spent on each of these areas.

e) 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. The Board may, at its discretion, set aside unrestricted funds for specific future purposes and these are referred to as designated funds. Where such funds are no longer required for the intended purposes they are released back to general unrestricted reserves.

Restricted funds are those which can only be used for purposes specified by the donor, or which have been raised under the terms of a specific bid. Expenditure under the terms of the grant agreement is shown as restricted expenditure.

f) Depreciation

Tangible fixed assets are stated at cost less provision for depreciation. Depreciation is calculated so as to write off the cost less the estimated residual value of tangible fixed assets by equal annual instalments over their estimated useful economic lives as follows:

Leasehold buildings: 50 years
Office equipment: 4 years
Computer equipment: 3 years

g) Pensions

The company contributes to two defined contribution schemes. Contributions are charged to the statement of financial activities as they become payable.

h) Operating leases

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

i) Provisions

Provisions for future liabilities are recognised when the charity has a legal or constructive obligation that can be reliably estimated and for which there is an expectation that payment will be made.

j) Fixed asset investments

Investments held are valued at market value. Unrealised gains and losses on the revaluation of investments are recognised in the statement of financial activities.

k) Key judgements

Grant awards are recognised as soon as awards are made at grant panels.

l) Public Benefit Entity

The company is a public benefit entity, whose primary objective is to provide goods or services for the general public or social benefit and where any risk capital has been provided with a view to supporting that primary objective rather than with a view to a financial return to its members.

Charity registration no. [291558](#)

Company registration no. [01900511](#)

2. Incoming resources from generated funds

	2023 Unrestricted	2023 Designated	2023 Restricted	2023 Total
	£	£	£	£
VOLUNTARY INCOME				
Donations and gifts	76,061	-	-	76,061
	<u>76,061</u>	<u>-</u>	<u>-</u>	<u>76,061</u>
OTHER TRADING ACTIVITIES				
Membership Fee	135,000	-	-	135,000
Car Parking	756			756
	<u>135,756</u>	<u>-</u>	<u>-</u>	<u>135,756</u>
INVESTMENT INCOME				
Dividends	64,071	-	-	64,071
Bank interest	64,259	-	-	64,259
	<u>128,330</u>	<u>-</u>	<u>-</u>	<u>128,330</u>
	2022 Unrestricted	2022 Designated	2022 Restricted	2022 Total
	£	£	£	£
<i>VOLUNTARY INCOME</i>				
<i>Donations and gifts</i>	191,499	-	5,445	19,335
	<u>191,499</u>	<u>-</u>	<u>5,445</u>	<u>19,335</u>
<i>OTHER TRADING ACTIVITIES</i>				
<i>Membership Fee</i>	135,000	-	-	102,500
	<u>135,000</u>	<u>-</u>	<u>-</u>	<u>106,742</u>
<i>INVESTMENT INCOME</i>				
<i>Dividends</i>	45,679	-	-	45,679
<i>Bank interest</i>	404	-	-	404
	<u>46,083</u>	<u>-</u>	<u>-</u>	<u>46,083</u>

3. Incoming resources from charitable activities

	2023 Unrestricted	2023 Designated	2023 Restricted	2023 Total
Income for project delivery was secured from the following sources:	£	£	£	£
Central government	385,892	-	590,674	976,566
Local authorities	31,922	-	-	31,922
Public agencies	554,883	-	3,817,166	4,372,049
Private sector	2,135,177	-	9,779,146	11,914,323
National Lottery and charitable foundations	503,708	-	4,625,404	5,129,112
	<u>3,611,582</u>	<u>-</u>	<u>18,812,390</u>	<u>22,423,972</u>
Income was allocated to:				
Grant distribution	2,572,627	-	13,400,572	15,973,199
Programme delivery	649,768	-	3,384,581	4,034,351
Programme management	211,744	-	1,102,955	1,314,700
Federation support	50,077	-	260,845	310,921
Fundraising and communications	63,345	-	329,958	393,303
Running Groundwork UK	64,021	-	333,478	397,499
	<u>3,611,582</u>	<u>-</u>	<u>18,812,390</u>	<u>22,423,972</u>

Incoming resources from charitable activities (continued)

	2022 Unrestricted	2022 Designated	2022 Restricted	2022 Total
Income for project delivery was secured from the following sources:	£	£	£	£
Central government	296,175	-	-	296,175
Local authorities	5,503	-	202,271	207,774
Public agencies	724,752	-	4,141,719	4,866,471
Private sector	1,653,936	-	8,625,304	10,279,240
National Lottery and charitable foundations	309,791	-	5,325,228	5,635,019
	<u>2,990,157</u>	<u>-</u>	<u>18,294,522</u>	<u>21,284,679</u>
Income was allocated to:				
Grant distribution	1,964,381	-	12,018,570	13,982,951
Programme delivery	714,271	-	4,370,084	5,084,355
Programme management	180,140	-	1,102,145	1,282,285
Federation support	41,557	-	254,257	295,814
Fundraising and communications	53,288	-	326,027	379,315
Running Groundwork UK	36,520	-	223,439	259,959
	<u>2,990,157</u>	<u>-</u>	<u>18,294,522</u>	<u>21,284,679</u>

For definitions of the above categories, see section 5.5 of the strategic report

4. Cost of raising funds

	2023 Unrestricted	2023 Designated	2023 Restricted	2023 Total
	£	£	£	£
Staff costs	26,160	-	136,266	162,426
Other costs	8,610	-	44,850	53,460
	34,770	-	181,116	215,886
	<i>2022</i> <i>Unrestricted</i>	<i>2022</i> <i>Designated</i>	<i>2022</i> <i>Restricted</i>	<i>2022</i> <i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Staff costs	21,739	-	133,007	154,746
Other costs	4,332	-	26,505	30,837
	26,071	-	159,512	185,583

5. Charitable activities

	2023 Unrestricted	2023 Designated	2023 Restricted	2023 Total
	£	£	£	£
Expenditure on projects related to the following activities:				
Grant Distribution	2,584,614	88,310	13,561,762	16,234,686
Programme delivery	652,796	22,305	3,404,384	4,079,485
Programme management	212,731	7,268	1,109,409	1,329,408
Federation support	50,310	1,719	262,371	314,400
Fundraising and communications	63,640	2,174	331,889	397,703
Running Groundwork UK	64,319	2,198	335,429	401,946
	3,628,410	123,974	19,005,244	22,757,628

	2023 Grants payable	2023 Other direct costs of activities	2023 Support costs	2023 Total
	£	£	£	£
Expenditure on projects comprised:				
Grant Distribution	13,626,050	1,930,597	678,039	16,234,686
Programme delivery	3,420,621	487,611	171,253	4,079,485
Programme management	1,114,700	158,901	55,807	1,329,408
Federation support	263,622	37,579	13,199	314,400
Fundraising and communications	333,472	47,536	16,695	397,703
Running Groundwork UK	337,029	48,044	16,873	401,946
	19,095,494	2,710,268	951,866	22,757,628

Charitable activities (continued)

	2022 Unrestricted	2022 Designated	2022 Restricted	2022 Total
	£	£	£	£
Expenditure on projects related to the following activities:				
Grant Distribution	1,957,590	79,341	12,061,965	14,098,896
Programme delivery	711,801	28,849	4,385,864	5,126,514
Programme management	179,518	7,276	1,106,124	1,292,918
Federation support	41,414	1,678	255,175	298,267
Fundraising and communications	53,103	2,152	327,204	382,459
Running Groundwork UK	36,394	1,475	224,246	262,115
	2,979,820	120,771	18,360,578	21,461,169

	2022 Grants payable	2022 Other direct costs of activities	2022 Support costs	2022 Total
	£	£	£	£
Expenditure on projects comprised:				
Grant Distribution	11,663,112	1,858,280	577,504	14,098,896
Programme delivery	4,240,836	675,691	209,987	5,126,514
Programme management	1,069,548	170,411	52,959	1,292,918
Federation support	246,737	39,313	12,217	298,267
Fundraising and communications	316,384	50,409	15,666	382,459
Running Groundwork UK	216,831	34,548	10,736	262,115
	17,753,448	2,828,652	879,069	21,461,169

Charitable activities (continued)

	Grants to institutions	Grants to individuals	Grant support costs	2023 Total
	£	£	£	£
Analysis of grants				
Creating better places	6,669,517	-	333,908	7,003,425
Improving peoples prospects	8,358,181	-	414,305	8,772,486
Promoting greener living and working	4,067,796	-	203,653	4,271,449
	19,095,494	-	951,866	20,047,360

	Grants to institutions	Grants to individuals	Grant support costs	2022 Total
	£	£	£	£
Analysis of grants				
Creating better places	5,167,908	-	255,891	5,423,799
Improving peoples prospects	8,063,231	-	399,254	8,462,485
Promoting greener living and working	4,522,309	-	223,924	4,746,233
	17,753,448	-	879,069	18,632,517

	2023	2022
	£	£
Support costs are analysed as follows:		
Staff costs	687,912	645,372
Temporary staff and recruitment	2,524	3,043
Legal and professional	33,380	27,399
Travel and subsistence	8,761	2,723
Training and meetings	17,594	16,709
IT support	94,283	109,549
Other costs	107,412	74,274
	951,866	879,069

6. Employees

	2023	2022
	£	£
The average monthly number of employees during the year was as follows:		
Programme management	37	37
Management and administration	4	6
Fundraising and communications	10	8
	51	51

	2023	2022
	£	£
The aggregated cost of these persons was as follows:		
Wages and salaries	1,600,363	1,527,145
Social security costs	164,562	143,675
Pension costs (see note 19)	248,940	229,847
	2,013,865	1,900,667

	2023	2022
	£	£
The emoluments of employees (excluding pension contributions) over £60,000 per annum are disclosed in £10,000 bands as follows:		
£60,000 - £70,000	2	2
£80,000 - £90,000	1	1
	3	3

The key senior management personnel of the charity are the Chief Executive Officer, Director of Finance and Corporate Services, Director of Partnerships and Programmes, Head of Contracts and Communications Manager with a total cost in 2023 of £375,691 (2022 - £363,756) Total contributions under defined contribution schemes on behalf of these higher paid employees in 2023 were £23,617 (2022 - £22,868)

7. Transactions with trustees

During the year ending 31st March 2023 5 trustees were reimbursed for travel costs amounting to £388 (2022 - 0 trustees £0 travel costs). No Trustees received any remuneration during the year.

8. Net incoming resources

	2023	2022
	£	£
Net incoming resources for the year is stated after charging:		
Auditor's remuneration:		
Audit - company	16,400	14,400
Depreciation	17,513	22,646
	<hr/>	<hr/>

Premiums in 2023 £659 (2022: £670) were paid on a professional indemnity policy to protect the charity and trustees from loss arising from neglect or defaults of trustees.

9. Tangible assets

	Office equipment	Total
	£	£
COST OR VALUATION		
At 1 April 2022	71,215	71,215
	<hr/>	<hr/>
At 31 March 2023	71,215	71,215
DEPRECIATION		
At 1 April 2022	33,586	33,586
Charged for the year	17,513	17,513
	<hr/>	<hr/>
At 31 March 2023	51,099	51,099
NET BOOK VALUE		
At 31 March 2023	20,116	21,116
	<hr/>	<hr/>
At 31 March 2022	37,629	37,629
	<hr/>	<hr/>

10. Investments held as fixed assets

	Shares in subsidiary undertakings
	£
COST	
At 1 April 2022	3
Disposals	-
At 31 March 2023	3

NAME	Nature of business registration	Country of registration	Class of shares held	Proportion
Groundwork Trade Association Ltd	Dormant	England	Ordinary	100%
Groundwork Enterprises Ltd	Dormant	England	Ordinary	100%
Groundwork UK Ltd	Dormant	England	Ordinary	100%

	2023	2022
	£	£
SUBSIDIARY UNDERTAKING		
Groundwork Trade Association Ltd	4,000	4,000
Groundwork Enterprises Ltd	25,002	25,002
Groundwork UK Ltd	1	1

11. Fixed asset investments

	£
COST	
At 1 April 2022	2,113,044
Investments	-
Net loss on revaluation	-161,520
At 31 March 2023	1,951,524

Investments are held in a managed mixed fund, which is designed to deliver a return of between 3% and 4% above the Consumer Price Index, over a rolling three-year period.

12. Debtors

	2022	2021
	£	£
Grants receivable	5,930,069	6,098,612
Other debtors	-	40,000
Prepayments and accrued income	6,835,283	7,235,349
	12,765,352	13,373,961

13. Creditors

	2023	2022
	£	£
Grants due and payable	11,312,641	9,451,765
Agency creditor	1,663,104	5,932,240
Social security and other taxes	62,914	60,633
Other creditors	260,538	183,111
Accruals	662,839	2,680,016
Deferred income (note 14)	822,098	425,588
	14,784,134	18,733,353

	Balance at 1 April 2022	Amount paid in year	Amount accrued in the year	Balance at 31 March 2023
	£	£	£	£
Grants due and payable	9,451,765	3,631,112	5,491,988	11,312,641
Agency creditor	5,932,240	6,831,748	2,562,612	1,663,104

	Balance at 1 April 2021	Amount paid in year	Amount accrued in the year	Balance at 31 March 2022
	£	£	£	£
Grants due and payable	5,032,035	6,177,825	10,597,555	9,451,765
Agency creditor	4,786,779	11,785,065	12,930,526	5,932,240

14. Deferred income

	Balance at 1 April 2022	Amount released to incoming resources	Amount deferred in the year	Balance at 31 March 2023
	£	£	£	£
Movements in deferred income during the year were as follows:				
Community projects	425,587	425,587	822,098	822,098
	<u>425,587</u>	<u>425,587</u>	<u>822,098</u>	<u>822,098</u>
	<i>Balance at 1 April 2021</i>	<i>Amount released to incoming resources</i>	<i>Amount deferred in the year</i>	<i>Balance at 31 March 2022</i>
	£	£	£	£
Community projects	172,627	172,627	425,587	425,587
	<u>172,627</u>	<u>172,627</u>	<u>425,587</u>	<u>425,587</u>

Income is deferred where it is linked to milestones in future periods.

15. Analysis of net assets

	Unrestricted funds	Restricted funds	Total 2023
	£	£	£
Tangible fixed assets	20,116	-	20,116
Investments	1,951,527	-	1,951,527
Net current assets	748,869	2,527,044	3,275,913
Provision for liabilities	-10,000	-	-10,000
	<u>2,710,512</u>	<u>2,527,044</u>	<u>5,237,556</u>
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total 2021</i>
	£	£	£
<i>Tangible fixed assets</i>	37,629	-	37,629
<i>Investments</i>	2,113,047	-	2,113,047
<i>Net current assets</i>	566,781	2,901,014	3,467,795
<i>Provision for liabilities</i>	-10,000	-	-10,000
	<u>2,707,457</u>	<u>2,901,014</u>	<u>5,608,471</u>

16. Statement of funds

	Designated fund	General fund	Total
	£	£	£
UNRESTRICTED FUNDS			
At 1 April 2022	293,479	2,413,978	2,707,457
Incoming resources	-	3,951,729	3,951,729
Resources expended	-123,974	-3,663,180	-3,787,154
Transfers	241,800	-241,800	-
Loss on investment	-	-161,520	-161,520
At 31 March 2023	<u>411,305</u>	<u>2,299,207</u>	<u>2,710,512</u>

Statement of Funds (continued)

	Designated fund	General fund	Total
	£	£	£
UNRESTRICTED FUNDS			
At 1 April 2021	354,789	2,059,098	2,413,887
Incoming resources	-	3,362,739	3,362,739
Resources expended	-120,771	-3,005,891	-3,126,662
Transfers	-	57,492	57,492
Surplus on investments	59,460	-59,460	-
At 31 March 2022	293,478	2,413,978	2,707,456

Designated funds include £200k to support a new fundraising strategy, £110k to support collaboration, across the Groundwork federation, £35k to support energy efficiency programmes and £18k to fund core staff training

Restricted funds comprise performance related grants as follows:	Balance at 1 April 2022	Incoming resources	Resources expended	Balance at 31 March 2023
	£	£	£	£
RESTRICTED FUNDS				
Tesco Community Grants	-	8,727,550	-8,727,550	-
HS2 Grants	-	2,335,165	-2,335,165	-
Comic Relief	864,000	1,552,000	-1,574,077	841,923
ESF Community Grants	29,645	1,457,773	-1,481,300	6,118
Cadent Foundation	815,578	537,608	-875,113	478,073
Home Office	-	377,313	-202,616	174,697
Firethorn Trust	-	362,500	-226,953	135,547
Onestop Carriers for Causes	138,034	293,000	-365,490	65,544
The National Lottery Community Fund	46,067	1,280,037	-1,308,689	17,415
The National Lottery Heritage Fund	8,082	-	-8,082	0
Other Programmes	999,608	1,889,444	-2,081,325	807,727
	2,901,014	18,812,390	-19,186,360	2,527,044

Large programmes include:

Tesco Community Grants	Grants to fund local community projects, voted for by Tesco customers.
HS2 Grants	Grants to organisations to mitigate the disruption of HS2 construction.
Comic Relief	Grant funding to community led organisations to support capacity building and project delivery.
Cadent Foundation	Funding for energy efficiency advice and measures to vulnerable households, delivered by Groundwork 'Green Doctors'.
The National Lottery Community Fund	Coaching for young people who are furthest away from the labour market.

	Balance at 1 April 2021	Incoming resources	Resources expended	Balance at 31 March 2022
	£	£	£	£
RESTRICTED FUNDS				
Tesco Community Grants	-	7,910,852	-7,910,852	-
HS2 Grants	-	1,945,971	-1,945,971	-
Comic Relief	-	1,235,762	-1,537,667	-301,905
ESF Community Grants	6,455	1,166,894	-1,150,723	22,625
Cadent Foundation	491,304	997,386	-673,112	815,578
Home Office	24,524	975,412	-953,868	46,068
Firethorn Trust	-	864,000	-	864,000
Onestop Carriers for Causes	-	505,992	-505,992	-
The National Lottery Community Fund	2,062	455,450	-450,491	7,021
The National Lottery Heritage Fund	2,585,947	2,253,095	-3,391,413	1,447,628
Other Programmes	-	-	-	-
	3,110,290	18,310,814	-18,520,090	2,901,014

Programme funds are only available for expenditure in accordance with the funders' directions.



17. Commitments under operating leases

As at 31 March, 2023, the charity had total commitments under a non-cancellable lease for premises as set out below.

	2023	2022
	£	£
Within 1 Year	53,704	57,204
1-2 Years	53,704	49,532
2-5 Years	46,032	-
	153,440	106,736

18. Provision for dilapidation

A provision of £10,000 has been included to cover the possible dilapidation costs associated with the lease of the Walker Building. This will be reviewed annually to ensure it is sufficient to cover future possible liabilities.

19. Pensions

During the year ended 31 March 2023 Groundwork UK paid contributions into a defined contribution scheme. The total charge to the defined contribution scheme amounted to £248,940 (2022: £229,847). There were no contributions either pre-paid or outstanding at the year-end or the previous year-end.

20. Related party transactions

At the year-end a balance of £4,000 (2022: £4,000) was owed to Groundwork Trade Association Limited, a wholly owned subsidiary of the company. There are no other related party transactions.

21. Reconciliation of net income to net cash flow from operating activities

	2023	2022
	£	£
Net income for the reporting period (as per the SOFA)	-370,915	84,294
ADJUSTED FOR:		
Losses /(gains) on investments	161,520	-57,492
Depreciation charge	17,513	22,646
Investment income	-128,330	-46,083
(Increase) /decrease in debtors	608,610	-1,723,879
Increase /decrease in creditors	-3,949,221	2,596,369
Increase /decrease in provisions	-	10,000
Net cash provided by (used in) operating activities	<u>-3,660,823</u>	<u>885,855</u>

22. Grants payable

All grants payable relate to institutional grants paid to Groundwork Trusts, delivery partners and community groups, mainly to small community based not -for- profit organisations addressing local needs. The detailed breakdown of all grant payments is available on request from the charity's principal address. No single grants were awarded that are considered to be material to these financial statements.

23. Financial Instruments

	2023	2022
	£	£
Groundwork UK's financial instruments may be analysed as follows:		
FINANCIAL ASSETS		
Financial assets measured at fair value through profit and loss:		
Investments	1,951,524	2,113,044
	<u>1,951,524</u>	<u>2,113,044</u>

Financial assets measured at fair value through profit or loss comprise fixed asset investments in a trading portfolio of listed company shares.

Groundwork UK would like to thank all its funders and partners. Our work to support communities has benefited significantly from funds provided by the following organisations.

Access - The Foundation for Social Investment	£135,162
Avison Young	£84,502
Balfour Beatty	£34,051
Boost	£20,000
Cadent Foundation	£746,305
Cadent Gas Limited	£169,302
CAF	£69,644
Centrica	£161,310
City & Guilds	£95,000
Comic Relief Community Fund (England)	£1,880,600
Coop Foundation	£34,995
Central England Coop	£24,994
Department for Digital, Cultural, Media & Sport	£112,915
Department for Work & Pensions	£226,417
Education & Skills Funding Agency	£1,794,444
Energy Saving Trust	£190,443
Firethorn Trust	£362,500
Greater London Authority	£32,171
Grosvenor	£99,650
Hatch Enterprise	£54,000
Havas Worldwide London Ltd	£55,000
Home Office	£432,286
HS2 Limited	£2,876,200
Impax Asset Management	£80,698
Jones Lang Lasalle Limited	£14,401
KPMG LLP	£62,423
Locality	£12,708
Department for Levelling up, Housing & Communities	£89,234
UK Year CIC	£252,553
NHS Property Services	£21,327
Northern Gas Network	£69,827
One Stop Stores	£354,198
Royal Society of Wildlife Trusts	£24,228
Segro	£148,568
Schroders	£49,723
Tesco PLC	£10,229,629
The National Lottery Community Fund	£1,280,037
The National Lottery Heritage Fund	£878,127
Veolia	£29,034
Way of Life	£11,440

Advisers

Auditors

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury B69 2DG

Investment Managers

Rathbone Investment Management
8 Finsbury Circus
London EC2M 7AZ

Bankers

The Co-operative Bank plc
PO Box 82
118-120 Colmore Row
Birmingham B3 3BA

HSBC

114 High Street
Stourbridge DY8 1DZ

Scottish Widows Bank plc

PO Box 12757
67 Morrison Street
Edinburgh EH3 8YJ

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B3 2ES

The Board of Trustees

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

Appointed trustees	First appointed	Last appointed	Retired/resigned
Tony Berry	October 2019	AGM 2020	Resigned Nov 2022
Stuart Bonham	December 2019	AGM 2020	
Katrina Cunliffe	March 2023		
Wendy Golland	September 2014	AGM 2020	Resigned Sept 2022
Jeff Greenidge	March 2019	AGM 2019	
Patrick Hughes	September 2021	AGM 2021	
Margot Madin	September 2022	AGM 2022	
Antony Nelson	March 2019	AGM 2019	
Nigel Reader	July 2021	AGM 2021	
Paul Roots	March 2019	AGM 2019	
Anne-Marie Simpson	December 2019	AGM 2020	
Alan Smith	June 2014	AGM 2020	
Andrew Thurston	January 2021	AGM 2021	
Co-opted trustees	First appointed	Last appointed	Retired/resigned
Faiza Amin	September 2019	AGM 2019	
Karen Balmer	September 2022	AGM 2022	
Kate Culverhouse	December 2013	AGM 2020	Resigned Sept 2022
Graham Hartley (Chair)	August 2015	AGM 2021	
Claire Marshall	December 2021	AGM 2022	
Mike Ormerod	June 2018	AGM 2018	Resigned June 2022
Jack White	September 2019	AGM 2019	

Company Secretary

Paul Viles

Committees of the Board

Chairs' Committee	Chair	Graham Hartley
Federation Executive Team	Chair	Graham Parry
Groundwork UK Committee	Chair	Claire Marshall
Audit & Remuneration Committee	Chair	Stuart Bonham

Chief Executive

Graham Duxbury



GROUNDWORK

To find out more about Groundwork,
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Published December 2023

Groundwork UK is the operating name of the Federation of Groundwork Trusts, a company limited by guarantee.
Company Registration Number: 1900511. Charity Registration No: 291558

THE FEDERATION OF GROUNDWORK TRUSTS

England & Wales - Charity number 291558

Accounts

2021/22



The Federation Of Groundwork Trusts

(Operating as Groundwork UK)

Annual Report and Financial Statements



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About Groundwork UK

Groundwork is a federation of charities mobilising practical community action on poverty and the environment across the UK.

We're passionate about creating a future where:

- > **Every neighbourhood is vibrant and green**
- > **Every community is strong and able to shape its own destiny**
- > **No-one is held back by their background or circumstances**

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

This means creating green jobs that build wealth in local communities, changing behaviour to reduce wasted food, energy and water, providing biodiverse, accessible green spaces, supporting businesses to be more responsible and empowering communities to lead activities that improve their quality of life and promote health and wellbeing.

Groundwork harnesses the passion, skills and experience of more than 1,200 employees and around 100 volunteer trustees across the UK. In 2021/22, the Groundwork federation delivered projects and programmes to a value of some £90 million involving and benefiting more than 900,000 people.

Groundwork UK is the central body of Groundwork, responsible for the brand, systems and agreements that hold the federation together. We add value to Groundwork's local activities by building the organisation's profile, developing strategic relationships with partners, funders and commissioners, managing programmes and contracts delivered by Groundwork Trusts and others and furthering Groundwork's mission by distributing grants to local communities on behalf of public bodies and private businesses. We act as Groundwork's national voice in the outside world and help all parts of Groundwork gain the benefits of being in a federation by providing opportunities to collaborate, share ideas and capacity and learn from good practice.

Groundwork UK is registered as a company and charity under the name The Federation of Groundwork Trusts, denoting its status as the membership body for Groundwork Trusts. This report outlines the activity, priorities and financial position of Groundwork UK and how it contributes to Groundwork's collective achievements and impact, more details of which can be found here:

[Our impact - Groundwork.](#)



Chair's Statement

Groundwork grew from a time of social and economic crisis in the late 1970s and early 1980s. As we mark 40 years of operations, I've been proud to see how our entire federation has stepped up to support communities through current times of crisis.

In many communities across the country we have been a point of stability helping people through – and gradually recover from – the Covid pandemic. We have helped people stay connected and active through our community hubs, supported young people to get back on their feet and into work, helped those who are isolated regain their confidence and distributed thousands of emergency grants to community organisations doing vital work in their local areas.

We are now doing all we can to support families and communities struggling with rising bills and making desperate decisions about eating or heating. We have seen a huge increase in the number of visits and calls to vulnerable people made by our Green Doctors – helping people with their household bills and connecting them with other forms of support. Our youth and community workers are providing activities to address 'holiday hunger' and our allotments and community gardens are helping people keep well and supplement their shopping with fresh food.

Underlying all of this is the need to continue addressing the climate and nature emergencies. Groundwork Trusts are at the forefront of work to connect people with the environment on their doorstep, to build a more circular economy, deliver green skills and jobs and ensure our communities are more resilient in the face of extreme weather events.

Throughout the last year we have continued to strengthen our financial position and maximise the benefits of collaboration across our federation. We have also made important strides in ensuring we are operating fully in line with our values – agreeing clear targets and actions aimed at reducing our own carbon footprint and ensuring we are promoting equity, diversity and inclusion in what we do and the way we work.

Groundwork's value rests in its approach and its people. That approach – finding joined-up solutions to social, environmental and economic issues impacting our communities – has never been more important if we're going to play our part in addressing increased hardship and chart a 'just transition' to net zero. To do that well we need to support our people through what will be a challenging period for many in society and ensure they have the direction, resources and freedom to develop creative responses to the needs of those we exist to serve.

I know all my fellow trustees and executive leaders across our network are committed to this task, and that Groundwork UK will continue providing the support and leadership required for Groundwork to be more than the sum of its parts.



Graham Hartley, Chair - 20 September 2022

Governance

How we are organised and governed

Groundwork UK is the operating name of The Federation of Groundwork Trusts, a charity and a company limited by guarantee. The governing documents are its Memorandum and Articles of Association, which were last amended by written resolution on 6 December 2018.

Membership of Groundwork UK comprises Groundwork Trusts. Groundwork Trusts are registered charities and companies limited by guarantee with similar objects to Groundwork UK but delivering in local areas across the UK. A membership agreement sets out our internal roles, relationships and behaviours and the whole of Groundwork operates to a collectively agreed federation strategy, which is overseen by our Board of Trustees.

The Board of Trustees comprises the trustees of Groundwork UK in accordance with the Charities Act 2011, who are also the directors of the company in accordance with the Companies Act 2006. The majority of our trustees are appointed from the boards of our member Groundwork Trusts. A number of independent trustees, including our Chair, are co-opted by the Board on account of their skills, experience or networks.

Our trustees are responsible for ensuring Groundwork UK is managed effectively and efficiently with appropriate systems, processes and policies governing our fundraising and financial management, our assets and investments and our responsibilities to our staff, volunteers and beneficiaries. Trustees pay particular attention to our responsibilities in respect of health and safety, safeguarding, data protection and information security, and we also have trustee champions overseeing our work to reduce our carbon footprint and promote equity, diversity and inclusion across our organisation.

The work of the Board is supported by four sub-committees:

Groundwork UK Committee - overseeing the development and management of our programmes and services, ensuring risks are managed and supporting the operational and financial performance of our organisation.

Groundwork UK Audit Committee – overseeing our audit process and reviewing our Annual Report and Financial Statements independently of the Groundwork UK Committee.

Federation Executive Team – executives from each Groundwork Trust supporting the Board with the formulation of strategy and policy for the whole of Groundwork.

Chairs' Committee – comprising the Chairs of the three committees above and assisting with appointments to the Board, selection of the Federation Chair and appointment of senior staff at Groundwork UK.

As a charity supporting young people to play an active role in their communities, we want to ensure that our strategic decision-making and operational plans are informed by the views of young people. Our Youth Advisory Board acts as a sounding board for our internal teams and provides a platform for building and supporting a wider network of young people to improve their own lives and neighbourhoods. We also seek regular feedback from community groups we support through our grant programmes, and from other partners and stakeholders to ensure our plans respond to the needs of those they're designed to benefit.

Groundwork UK's Management Team is led by the Chief Executive and includes senior staff members responsible for financial management and corporate services, fundraising, communications and programme delivery. This team operates through delegated powers outlined in our financial regulations and provides regular reports on financial and operational performance and risk management.

Relationships within Groundwork

Groundwork is a federation of independent charities, each working under a common brand to a common strategy. This strategy sets the direction, milestones and targets, which underpin operational decision-making across all parts of Groundwork. Within this strategic framework Groundwork Trusts make their own decisions about the project work they develop and deliver.

Groundwork UK delivers services and activities to support Groundwork Trusts and the delivery of Groundwork's mission and strategy. Groundwork UK is held to account for its performance by its members. Each Groundwork Trust signs a membership agreement, which sets out the commitments made by all parts of Groundwork in relation to quality, governance and ways of working and defines the functions Groundwork UK will deliver on behalf of the federation.

The appointed trustees of Groundwork UK are also trustees of Groundwork Trusts but are not considered to be related parties under the definition of the SORP and transactions between Groundwork UK and Groundwork Trusts do not require separate disclosure. Groundwork UK has considered the other disclosure requirements of the SORP and believes that there are no other related party transactions except for those between itself and its wholly owned subsidiary companies, as listed on [page 56](#).



Our commitments

The Board is committed to the principles of good governance set out in the Charity Commission Governance Code and all boards within Groundwork regularly review their performance against this standard.

Our federation strategy sets out the principles which underpin all of our work.

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

The Groundwork UK staff team has agreed a set of values to inform the way we work and behave. We will be environmentally aware and focused on communities in need. We will be collaborative, show integrity and strive for quality in everything we do.

Our decisions, actions and operations are guided by our sustainable development policy, which sets out how we will contribute to creating a strong and just society living within environmental limits, and how we will work towards 'net zero' carbon emissions.

As a charity dedicated to supporting people who may be vulnerable we are committed to ensuring our operations are delivered safely and that our staff, volunteers and service users are able to speak freely about any concerns they have. We have a Groundwork-wide commitment to effective safeguarding – including e-safety - and comprehensive complaints and whistleblowing procedures.

Our work is designed to address the needs of all sections of the community and we provide equal access to our services regardless of people's backgrounds, circumstances or characteristics. We monitor levels of diversity within our staff team to ensure it reflects the communities of which we are a part and regularly gather feedback from colleagues about our culture, recruitment processes and employment practices to ensure they are inclusive.

Groundwork UK is registered with the Fundraising Regulator and complies with all relevant codes of practice. All of our fundraising is managed internally and we do not employ commercial participators or professional third-party fundraisers.

More information about our approach and commitments can be found here - [Our approach and commitments - Groundwork](#)

Objectives and Public Benefit

Groundwork UK's charitable objectives are set down in its Memorandum of Association and date from the interpretation of charitable activities when they were drafted in 1985, as amended at annual general meetings and by written resolution. They commit Groundwork UK to delivering and promoting **regeneration** and **sustainable development** as follows.

- > To conserve, protect and **improve the physical and natural environment** anywhere in the United Kingdom and Republic of Ireland.
- > To **improve quality of life** by providing welfare, recreation or leisure facilities.
- > To advance public **education in environmental matters**.
- > To promote **urban or rural regeneration** in areas of social and economic deprivation through:
 1. The relief of poverty and unemployment.
 2. Providing education, training or work experience for people who are unemployed.
 3. Delivering financial assistance, technical assistance, business advice or consultancy in order to help people get back to work.
 4. Creating training and employment opportunities by providing work space, buildings and land.
 5. Maintaining or improving public amenities such as footpaths and cycle ways.
 6. The preservation of buildings or sites of historic or architectural importance.
 7. Reclaiming derelict land for use as open space.
 8. Providing public health facilities and schemes to promote healthier living.
 9. Alleviating anti-social behaviour and supporting crime prevention.
- > To promote **sustainable development** for the benefit of the public by:
 1. Preserving, conserving and protecting the environment
 2. Promoting the prudent use of natural resources
 3. Improving quality of life in socially and economically disadvantaged communities
 4. Promoting sustainable means of achieving economic and social growth and regeneration
 5. Educating the public in how to protect and improve the environment.
- > To promote the **efficiency and effectiveness of charities** in helping them deliver their objectives by providing information, advice and assistance.

Groundwork UK's trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the organisation's objectives and planning future activities. In particular, the trustees consider how planned activities will contribute to the charitable objectives set out above. Further details about the impact of Groundwork UK's activities during 2021/22 can be found on the following pages.

Strategic Report for the Year Ended 31st March 2022

The Board of Trustees presents its report for the year ended 31 March 2022. This includes:

- > Page 3 An introduction to our organisation
- > Page 5-8 Our governance and objectives
- > Page 9-27 Our financial and operational review for the year
- > Page 20 Our plans for the future
- > Page 55-57 Details of our trustees, senior staff and advisers



1. Performance overview

The current Groundwork federation strategy was agreed by our Board of Trustees in June 2020, having been developed with input from employees, partners and other stakeholders over the previous six months. The strategy acts as the foundation for all planning in Groundwork, setting out targets and priority actions agreed by the whole federation.

When the strategy was agreed it was acknowledged that the course of the pandemic (which was then in its first phase) was difficult to predict and might present barriers to delivering all the activities planned or necessitate an early revision. However, a review in summer 2021 concluded that the core elements of the strategy remained relevant to the unfolding political, social and funding context and that Groundwork should continue to monitor progress towards the objectives originally set.

The strategy re-stated Groundwork's mission with a commitment to 'mobilise practical community action on poverty and the environment'. It placed a sharper focus on activity to address climate change – a strong driver for our staff and partners - and the work we do to tackle inequality on the basis of our conviction that 'no-one should be held back by their background or circumstances'.

It became clear during the first year of the strategy that Covid both highlighted and exacerbated social and health inequalities, exposing the fragility of many people's employment conditions (especially young people) and the vastly differing ability of people to cope with the experience of lockdown, whether in relation to the costs of being at home, the isolating effect of digital exclusion or the inability to access open spaces to support physical health and mental wellbeing.

Once the initial emergency had abated, governments and local authorities began to focus on the need and opportunity to deliver a 'green recovery', re-setting the economy and regenerating communities so that we lock in some of the sustainability upsides the pandemic brought while also creating new economic opportunities that take us towards our targets for net zero. Long in the planning, the UK Government launched its Levelling Up white paper, a framework for reducing inequality within and between local areas, with new funds available to compensate for the loss of EU income post Brexit.

Despite these good intentions the strategy is now being delivered against a backdrop of more crisis management, this time prompted by price rises (in particular energy) and the global impacts of Russia's war in Ukraine. This makes the work Groundwork does to alleviate poverty (fuel poverty, food poverty, worklessness) all the more important and creates a platform for demonstrating how a 'just transition' to a low carbon society can improve living standards as well as protect the environment.

Across Groundwork we have seen innovative responses to these challenges and opportunities.

- > There has been strong interest in our Green Doctor service and we have responded by developing a more consistent, and better marketed, national offer with a number of significant new programmes launched, including major pieces of work with Cadent.
- > We have demonstrated our ability to provide high quality work experience placements for young people, using the Kickstart programme to transform the lives of those benefiting but also to provide valuable new capacity to deliver our wider programme of work in communities. Across Groundwork some 650 young people were given the opportunity to develop their career prospects through this initiative.
- > We have cemented our position as one of the leading voluntary organisations delivering green skills and jobs in fields such as horticulture, landscaping, furniture recycling and energy efficiency, offering a practical demonstration of how to connect social, economic and environmental outcomes and feeding into a number of government and business conversations on the subject.
- > We have increased the scale and reach of our community grant schemes, helping public and private partners ensure their funds reach the people and places where they can have most impact.

Financially we have navigated the pandemic successfully, accessing emergency support funds when needed, and in most parts of the federation we have secured major new programmes of work. Collective turnover is back to pre-pandemic levels (c. £90 million) and the last year has seen an uplift in financial performance for the majority of Trusts, helping to strengthen reserves.

Impact

The past year has seen strong performance across all three of our strategic priority areas:

- > **Better places** – We have continued to deliver improvements to open spaces, helping to improve the social infrastructure of local communities, including through our growing network of community hubs, major programmes secured through the Government’s Green Recovery Challenge Fund and local commissions through ‘town deals’ and Levelling Up funds.
- > **Improved prospects** – We have been at the forefront of activity to support young people into work through the Kickstart scheme and in some areas have been delivering major government programmes such as Restart, Building Better Opportunities and National Citizen Service. This work is increasingly focused on improving the health and wellbeing of those we support.
- > **Greener choices** – Despite the challenges presented by lockdowns, we have grown the support we offer people to manage their utility bills through our Green Doctor service and have expanded our work to help people connect with nature, through programmes such as Wellies in the Woods, Nature Friendly Schools and our management of multiple country parks.

In developing our federation strategy we set ourselves a number of collective three-year delivery targets. Performance against those targets is set out below.

Target By 2023 we will have:	Progress Years 1 and 2
Mobilised 75,000 days of voluntary action	58,160 volunteer days
Improved the wellbeing of 50,000 people	17,968 young people experiencing a positive personal outcome 103,065 people supported to adopt greener behaviours
Helped 20,000 people improve their life chances by accessing learning and work	10,388 people supported into education, training or work

A review of our federation performance measures at the end of the year highlights a number of trends as follows.

- > The majority of measures show an increase on 2020/21 levels and over-performance in relation to the targets set at the start of the year. This reflects the ‘bounce-back’ in activity levels following the pandemic and the success achieved in securing new programmes of work.
- > The number of Green Doctor visits delivered has been well above anticipated levels (by a factor of 32%), reflecting the growth in this service area – with the potential to save 6 million kgs of CO2 and 600 million litres of water, and saving households £2.4 million on their utility bills.

- > Youth and employment-related outcomes are up across the board reflecting the priority given to this area of work by funders in the wake of the pandemic and the delivery of large programmes in some parts of our federation.
- > 50% more land has been improved than forecast (7.3 million m²) but spread across a lower than anticipated number of public spaces, reflecting the development of larger-scale land management programmes (e.g. managing country parks on behalf of the Land Trust).
- > The number of community groups supported continues to rise (7,000), and is well above target for a second year running (by a factor of 33%), demonstrating the continued growth of our community development and grant programmes.



Building a Better Groundwork

Our strategy contains a number of actions designed to strengthen our organisational resilience and grow our collective impact. A summary of progress against these actions is provided below.

Action	Progress
Improve our communications and fundraising capabilities and drive innovation in income generation to diversify our range of revenue sources	We have made strong progress in communications with an active network of specialists developing coordinated campaigns and testing new approaches to service marketing. We are investing in new forms of income generation, including corporate fundraising, retail ventures and other enterprises.
Develop new business models to enable our specialist teams to offer commercial services across larger areas of the country	Specialist groups are active in all areas of service delivery with significant collaborative work on delivery models and marketing in respect of Green Doctor and Sustainable Business Services.
Improve our ability to capture data that demonstrates the impact of our work and helps us prioritise the actions that contribute most to achieving our mission	A project has been agreed to develop a new impact framework for the federation ready for 2023/24 with a dedicated Federation Impact Coordinator recruited to lead delivery.
Embed a new set of quality standards and harmonised systems to ensure that all parts of Groundwork are operating efficiently and effectively	We continue to develop the Groundwork Quality Standards with annual self-assessment to review compliance and identify support needs. New standards have been agreed in relation to reporting progress on EDI actions and the impact of our carbon reduction plans. Alongside this we are developing a more integrated ICT strategy to support a switch to the Microsoft 365 cloud.
Undertake governance reviews across our federation to improve practice in line with the Charity Commission's governance code	Reviews have been undertaken in all Trusts with resulting actions being progressed and governance a major focus of our federation EDI plan (see below).

<p>Drive a federation-wide initiative to improve the way we promote equity, diversity and inclusion</p>	<p>A federation commitment and action plan have been agreed, with reporting built into our Quality Standards. A federation-wide survey generated consistent baseline data and EDI groups are active in a number of Trusts. Increased diversity is evident on the majority of boards across Groundwork.</p>
<p>Seek opportunities to consolidate structures and share services so that all parts of the country are served by a strong and high-performing Groundwork organisation</p>	<p>Mergers have been completed in Greater Manchester and Yorkshire and there is strong, ongoing collaboration in the North of England. This complements the integrated management of Groundwork delivery across London and South with increasing levels of collaborative activity between Trusts in the Midlands and East and in Wales and NI.</p>

Groundwork UK

In common with other parts of the federation, Groundwork UK has weathered the impact of the pandemic and enjoyed another successful year of operational and financial performance.

- > We have a significant portfolio of grant management programmes with an expert team underpinned by good systems but with work to do to ensure consistency, quality and continued development of our offer.
- > We have secured extensions to our existing agreements with Tesco, HS2, Comic Relief and the Department for Levelling Up, Housing and Communities, and in 2021/22 we distributed £14m in grants to more than 6,000 organisations across the UK.
- > Our prioritisation of corporate engagement over previous years is delivering results and we have expanded our roster of business partners to include Grosvenor, Firethorn Trust, Segro, John Lewis Partnership, Balfour Beatty and Veolia.
- > We have successfully completed a number of major delivery programmes during the year including Future Footprints (connecting young people with Friends Groups to support the management of open spaces), Natural Neighbourhoods (supporting community-led action on nature recovery) and Energising Communities (providing targeted support for people in fuel poverty). We have secured new national programmes to continue supporting vulnerable people and to promote green skills and jobs within the environmental sector.
- > We have supported our first cohort of environmental charities seeking to develop their trading activity through management of the Access Foundation's Enterprise Development Programme, learning a lot in the process and building valuable links with other programme partners.

- > Our communications work is achieving excellent results in terms of audience development and we have tested a range of ways to broaden engagement through our social media channels including the creation of original video content, LinkedIn live events and youth 'takeovers'. We are putting the systems in place to capitalise on this increased visibility in terms of new relationships and income.
- > We are experiencing a growing demand from our federation for Groundwork UK to drive activity around networking, collaboration and quality and we are increasingly drawing on this to generate good practice reports for sharing with policymakers.
- > Having achieved financial surpluses in previous years our reserves policy has been met and our balance sheet is strong, giving us a platform for investing in new ways of working. Strengthening our fundraising capacity is a priority.
- > Our staff team is engaged and committed – and keen to go further in ensuring that we are demonstrably living up to our values in the way the organisation is run and resourced.

Performance against each of the business plan KPIs to the end of March 2022 is given below.

Indicator	Target	Performance
Visibility and credibility		
1 - Positive media coverage in broadcast and consumer press	10 pieces of coverage	41 in all media
2 - Social media followers actively engaging with content	120,000 new positive engagements	306,000
3 - Policy and public affairs	10 projects completed	14 completed
Grant management		
4 - Grant programme performance	90% of indicators on track	89% on track
5 - Applicant/grantee satisfaction	90% (very)/satisfied	92.5%
6 - Level of core costs funded by grant programmes	65% of core costs	89%
Local delivery		
8 - Funds distributed to Groundwork Trusts to support local delivery	At least £2 million	£3.8 million
9 - Delivery programme performance	75% of indicators on track	93% on track

Areas for improvement or further development identified by the team during the year include the following:

- > Gaining a better understanding of our programme beneficiaries and using our data more effectively to ensure we are demonstrably meeting need
- > Working more closely with groups of practitioners within the federation so that we're developing programmes that align with local priorities and the skills and capacity within Trusts
- > Developing a stronger organisational voice on priority issues to support our positioning work and provide a platform for our beneficiaries to be heard
- > Promoting more cross-team working so that we are maximising opportunities to grow relationships and providing consistency, in particular in our dealings with Trusts
- > Delivering on our organisational commitments to carbon reduction and equity, diversity and inclusion
- > Improving internal communications so that we keep our whole team engaged in a hybrid working environment.

In addressing these priorities, we continue to ensure we are meeting the business management standards agreed by the federation and acting in a way which is consistent with the terms of the Groundwork Membership Agreement, which prioritises good governance, consistent quality, collaboration and inclusion.

2. Sustainable Development Report

Supporting practical environmental action is core to our mission as a charity, and our strategy commits us to act as 'environmental exemplars'. We continue to focus on three priorities:

- > Inspiring our staff to adopt more sustainable behaviours in the workplace and in the home.
- > Reducing the carbon footprint of our operations as we work towards 'net zero'.
- > Designing and managing programmes that deliver social and environmental benefits.

Our staff-led 'Sustainable Living under Groundwork' team continue to deliver awareness-raising campaigns to promote behaviour change – from providing meat-free meal advice to measuring plastic waste generated in the workplace. We have also trained our first cohort of staff in carbon literacy with the intention of rolling this out to all colleagues over the coming months. In common with the rest of the Groundwork federation we have now established a baseline carbon footprint for our operations of 70.6 tonnes of CO₂ equivalent. Our action plan to reduce this focuses on maintaining low levels of transport-related emissions by making best use of technology and promoting sustainable travel and supporting staff to embed sustainability in new hybrid working arrangements.

We recognise that, as a small staff team, the greatest contribution we can make to sustainable development is through the programmes we develop and deliver. During the year we have completed delivery of our Natural Neighbourhoods programme, which has delivered enhancements to 105 green spaces including planting nearly 40,000 trees and shrubs. We also completed our Energising Communities programme through which Groundwork's Green Doctors installed 3,751 energy-saving measures in people's home including LED lightbulbs, radiator panels and draughtproofing strips. These programmes contributed to the Groundwork federation identifying more than 6 million kg of CO₂ equivalent that could be saved by domestic households and improving more than 7 million square metres of green space.

3. Equity, diversity and inclusion

As a federation, Groundwork has committed to ensuring it embeds good practice in relation to equity, diversity and inclusion in the way it manages its people and delivers its projects, programmes and services. To advance these discussions within Groundwork UK we have brought together an EDI working group to develop an action plan and lead wider colleague engagement and sought external support from the consultancy Mission Diverse.

Our plan focuses on five themes: culture and communication; recruitment of staff, volunteers and beneficiaries; policy and standards; training and awareness; celebrating diversity. Actions progressed during the year include creating a style and language guide and ensuring EDI considerations are built into our employee handbook. We have delivered training programmes on unconscious bias and deaf awareness and initiated conversations to ensure we are operating as inclusively as possible in the management of our grants programmes and developing a stronger rationale for the way we comment publicly on equalities-related issues. We have committed to participating in the **RACE Report** and will measure the racial diversity of our staff team on an annual basis.

In common with Trusts across the federation we undertook two surveys during 2021/22 intended to capture data about the diversity of our staff team and to generate views and feedback about the degree to which they view Groundwork UK as an inclusive employer.

This showed that:

- > The majority of Groundwork UK's staff are women (66%) but women are under-represented at manager and director level
- > 34% of Groundwork UK's female employees work part time compared to 7% of male employees
- > 16% of respondents identified as an ethnic or national identity other than white British (this compares to 19.5% for the whole of England and Wales and 21% for the West Midlands¹)
- > 18% of respondents reported having a disability or health condition. The most prevalent condition was a diagnosed mental health condition (by comparison the charity Scope reports that 19% of working age adults in the UK have a disability²)
- > 95% of respondents felt that Groundwork UK is a welcoming and supportive place to work or volunteer
- > 10% of respondents said they had experienced or witnessed discrimination or harassment.

1 Figures from 2011 Census reported in 2020 - [Regional ethnic diversity - GOV.UK Ethnicity facts and figures \(ethnicity-facts-figures.service.gov.uk\)](https://www.gov.uk/ethnicity-facts-figures)

2 [Disability facts and figures | Disability charity Scope UK](https://www.scope.org.uk/disability-facts-figures)

Groundwork UK's gender pay gap stands at 19% (2021: 24%). With the highest earner removed the pay gap is 9%. We continue to address this by providing flexible working arrangements and prioritising internal development opportunities. 42% of all posts recruited over the last three years were filled by an internal candidate progressing into a higher paid role.

Analysis of all recruitment exercises undertaken in the last three years shows that:

- > 78% of applicants for posts offered by Groundwork UK were women and 78% of those recruited were women
- > 30% of applicants for posts identified as non-white British with 28% of those recruited identifying as non-white British.

This gives us confidence that recruitment processes are fair.

4. Our plans for the future

Groundwork's collective delivery goals are that by 2023 we will have:

- > mobilised 75,000 days of voluntary action to combat the climate and nature emergency
- > improved the wellbeing of 50,000 people by connecting them with their community and with nature
- > helped 20,000 people improve their life chances by accessing learning and work.

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

Our aims in this respect are to ensure we have:

- > expert services operating at bigger scale to help more people in more places
- > delivery everywhere supported by stronger systems and more diverse income streams
- > more consistent quality in our delivery so that we maximise our impact.

Groundwork UK's business plan sets out what we will do over the next year to help the federation work towards these strategic goals and aims.

In 2022/23 we will focus on the following objectives.

- > **Supporting local Groundwork delivery** – by providing opportunities for federation practitioners to connect and collaborate in order to unlock income and drive quality and impact.
- > **Supporting communities and the sector through grants** – by continuing to grow our scale and expertise in providing grants, enterprise support and capacity building.
- > **Building Groundwork's visibility and credibility** – by maintaining a policy-led approach to communications, building our priority audiences through social media and maximising the PR benefit of our programmes and local delivery.
- > **Growing our corporate partnerships and fundraising** – by investing in the capacity and skills we need to convert our audience into a network of committed supporters and maximising the benefit from our corporate relationships.
- > **Supporting our people** – by ensuring we have the right systems to be effective and supporting the wellbeing and development of our team.
- > **Delivering on our EDI and carbon reduction commitments** – by ensuring Groundwork UK is an inclusive place to work, has a clear plan to cut carbon emissions and that these values are reflected in the partnerships and programmes we develop.
- > **Promoting quality within Groundwork UK and across the federation** – by generating and sharing learning across teams and improving our approach to impact measurement to ensure our programmes are delivering maximum benefit in communities.

Groundwork UK has a responsibility to lead political influencing and public positioning work on behalf of the federation. We will continue to do this through a programme of policy-focused communications campaigns. These will use the 40th anniversary of Groundwork's establishment as a backdrop and focus on a series of connected themes including supporting children and young people, creating green jobs, protecting green infrastructure, promoting community action and improving health and wellbeing.



5. Financial performance

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

- > to keep our overhead costs low to ensure discretionary spending is focused on supporting local delivery and generating more income, while maintaining the capacity we need to operate effectively and safely
- > to achieve at least a break-even position at the end of the year so that we maintain sufficient reserves to sustain our charitable operations, manage the risks attached to outcome-based funding arrangements and invest sufficiently in quality management and income generation
- > to use our financial resources to support the whole of Groundwork to increase its resilience, diversify its income streams and maximise its impact in communities.

Net incoming resources for 2021/22 totalled £22 million (2021: £24 million). Our organisational turnover is heavily dependent on the volume of grants we distribute, which fluctuates from year to year, and is not considered to be the determining factor in our assessment of financial health. Our underlying trading performance resulted in an unrestricted surplus of £355k (2021: £387k), compared to a budget of break even. The surplus includes an increase in the value of our investments of £57k (2021: £181k) which is what we had budgeted for. Cost savings related to reduced travel and office overheads have continued post-pandemic as more meetings are held online and we have adopted a hybrid home/office working arrangement for all staff.

This positive outcome has further strengthened our balance sheet and we have now met our long-term target for holding reserves.

In addition to this income, we received funds and distributed grants totalling c. £12 million, funds for which we are responsible but which are not included in our stated turnover.

Reserves

In line with our financial strategy, our trustees have agreed that we should aim to hold 12 months operating costs (c£2.4 million) in liquid reserves. We believe this is appropriate for the following reasons:

- > to absorb short term setbacks such as loss or delays in funding
- > to provide the working capital required to finance retrospective programme funding, which can result in considerable timing differences between expenditure and receipt of funds
- > to cover the cost of investing in staff training and development to help us deliver our objects and better support our federation members
- > to cover the cost of developing new services, such as improved communications, research and quality and business information systems
- > to set aside funds for capital assets such as ICT equipment
- > to provide funding to cover any unforeseen downturn in activity and the associated impact on our staff team.

Our reserves policy recognises the need to operate as a responsible charity, maintaining trust with our partners and the public by not generating surpluses for which there is no future requirement or that are used for purposes which are not directly connected to our charitable aims.

Our level of free liquid reserves at the end of 2021/22 is £2.7 million.

Restricted funds - advance payments from funders pending completion of project work by Groundwork Trusts and other delivery partners - stand at £2.1 million (2021: £3.1 million). These restricted funds can only be used in accordance with agreements reached with funders and do not form part of the general reserves that are under the control of the trustees. These funds will all be distributed during 2022/23. Movements in restricted funds reflect the long-term nature of Groundwork UK's programme activity and this in no way reflects on the organisation's financial efficiency or performance.

Investments

The majority of the funds obtained by Groundwork UK are for the delivery of specified projects and are therefore restricted. These funds are mainly distributed to Groundwork Trusts and other delivery partners operating under contract or to third party organisations in the form of grants to support local community projects. Any funds that are built up in advance of expenditure are kept as liquid as possible, whilst making every effort to maximise investment returns.

Cash that is unrestricted in nature and is not required in the short term (regarded as six months) is considered for long-term investment. Since 2010 we have invested these funds in a managed fund arrangement with a current target to deliver an annual return of between 3% and 4% above the Consumer Prices Index. In the last year, our investments made a surplus of £57k, which, together with dividend income of £46k, achieved our budgeted expectation. All of these funds can be converted into cash without notice or penalty, should there be an immediate need for liquid funds.

Grant making policy

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

Principal funding sources

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

- > **Private sector** - £10.3 million (2021: £10.5 million) - This includes funds provided by businesses and private foundations, most notably £8.5 million provided by Tesco to support community groups through the Community Grants programme.
 - > **Public sector** - £5.4 million (2021: £8.5 million) - This relates to funding secured from government departments and other public bodies to deliver programmes and services. In particular in 2021/22 this included the Department for Levelling Up, Housing and Communities and the Education and Skills Funding Agency.
 - > **Lottery and charitable foundations** - £5.6 million (2021: £4.7 million) - These include grants secured from the National Lottery Heritage Fund and Community Fund to support local delivery and funds distributed to community groups on behalf of Comic Relief.
-

Expenditure on charitable objectives

Our expenditure in the year was directed towards the following charitable activities.

- > **Community grants** - £14.1 million (2021: £18.8 million) - Providing funds to enable community groups and local charities to deliver projects that improve neighbourhoods and provide support to those who are vulnerable.
- > **Programme delivery** - £5.1 million (2021: £2.4 million) - Providing resources to support local delivery by Groundwork Trusts and other partner organisations as part of commissioned services or funded programmes.
- > **Programme management** - £1.3 million (2021: £1.0 million) - The costs of managing grant distribution and local delivery programmes, including reporting impact and generating learning from our delivery to improve practice and influence future policy.
- > **Fundraising and Communication** - £400k (2021: £396k) - The cost of generating resources to support local delivery through campaigns, communications and bidding activities.
- > **Supporting our federation** - £300k (2021: £300k) - Providing systems and support services to enable Groundwork Trusts to communicate effectively, share knowledge and collaborate to achieve greater impact.
- > **Running our organisation** - £262k (2021: £353k) - Ensuring Groundwork UK operates safely and efficiently with appropriate systems, quality standards and premises.

6. Risks and uncertainties

Our trustees understand their responsibilities for ensuring that the major risks to which the charity is exposed are identified and reviewed, and that there are systems in place to mitigate them.

Trustees regularly review our risk management process and receive quarterly updates on actions put in place to mitigate the most significant ongoing risks. Risks are identified by our staff teams and reviewed on a regular basis by our management team. All of Groundwork UK's major programmes are managed on a risk basis with individual risk registers used both as management and reporting tools. We have a comprehensive business continuity plan in place which is designed to ensure our operations can continue safely in the event of a crisis or disaster situation. This was fully tested by the Covid pandemic.

Our ability to deliver our mission continues to be heavily influenced by the policies and priorities of national and local government and by the investment decisions of businesses, which in turn are driven by regulation and the wider public policy backdrop.

There are likely to be a number of underlying themes or long-term trends that will influence the policy and funding environment within which Groundwork UK is operating.

- > The climate and nature crises will deepen, leading to further pressure on governments and businesses to demonstrate leadership and support practical action.
- > The long tail of the Covid pandemic will continue to cause disruption and put pressure on public finances requiring ongoing flexibility and the need to operate within tight national and local spending plans.
- > The future policy direction of the UK government is unclear and the political climate is likely to remain volatile up to the next general election.
- > The gap between the plans and priorities of the UK government and devolved administrations and mayors is likely to remain, and possibly grow, requiring a multi-faceted response to political positioning.
- > The transition from EU Structural Funds to a new UK Shared Prosperity Fund is likely to lead to gaps in provision, but also new opportunities for more joined-up programmes of social and economic regeneration.

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

- > an ICT failure, cybersecurity incident or data breach that leads to loss of capability, financial penalties and/or reputational damage – a risk that remains high due to the switch to hybrid working arrangements and our reliance on online systems to deliver our major programmes
- > a serious safeguarding, health and safety or fraud incident occurring on a programme managed by Groundwork UK and the impact this could have both on those involved and to our reputation
- > the unexpected withdrawal or clawback of funding from a major partner arising from a failure to meet targets or comply with funding requirements or simply due to changed priorities.

Financial instruments

Groundwork UK'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 fixed assets and working capital through retained reserves.



7. Statement of trustees' responsibilities

Our trustees are responsible for preparing Groundwork UK's Annual Report and Financial Statements in accordance with applicable law and regulations.

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

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

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

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

These financial statements are published on our website in accordance with UK legislation governing the preparation and dissemination of financial statements. The maintenance and integrity of the website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements published.

Events after the year end

There have been no material events after the year end to report.

Disclosure of information by the trustees to the auditor

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

Signed on behalf of the Board of Trustees

Graham Hartley, Chair

20 September 2022



Independent Auditor's Report to the Members of The Federation of Groundwork Trusts (Operating as Groundwork UK)

Opinion

We have audited the financial statements of The Federation of Groundwork Trusts for the year ended 31 March 2022, which comprise statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- > give a true and fair view of the state of the 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; and
- > have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 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 the Companies Act 2006 requires us to report to you if, in our opinion:

- > adequate accounting records have not been kept; 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 27](#), 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.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion. forms part of our auditor's report.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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 might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and Safety and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and contract income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing procedures over income, reviewing accounting estimates for biases, designing audit procedures over income, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing 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, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, 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 non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Helen Drew (Senior Statutory Auditor)

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 22 December 2022

Statement of Financial Activities

FOR THE YEAR ENDED 31 MARCH 2022

		2022 Unrestricted funds		2022 Restricted funds	2022 Total	2021 Total
	Note	General £	Designated £	£	£	£
INCOME FROM						
Donations and legacies	2	191,499	-	16,293	207,792	19,335
Charitable activities	3	2,990,157	-	18,294,522	21,284,679	24,199,790
Other trading activities	2	135,000	-	-	135,000	106,742
Investments	2	46,083	-	-	46,083	30,289
Total		3,362,739	-	18,310,815	21,673,554	24,356,156
EXPENDITURE ON						
Raising funds	4	26,071	-	159,512	185,583	134,345
Charitable activities	5	2,979,820	120,771	18,360,578	21,461,169	22,297,975
Total		3,005,891	120,771	18,520,090	21,646,752	22,432,320
Net gains on investment	11	57,492	-	-	57,492	180,946
Net income		414,340	(120,771)	(209,275)	84,294	2,104,782
Transfers between funds		(59,460)	59,460	-	-	-
Net movement in funds		354,880	(61,311)	(209,275)	84,294	2,104,782
RECONCILIATION OF FUNDS						
Fund balances brought forward	16	2,059,098	354,789	3,110,290	5,524,177	3,419,395
Fund balances carried forward	16	2,413,978	293,478	2,901,015	5,608,471	5,524,177

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 [pages 36 to 54](#) form part of these financial statements.

Charity Balance Sheet

AT 31 MARCH 2022

Company registration number

01900511

	Note	2022		2021	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		37,629		60,275
Investments	11		2,113,044		1,545,552
Investments in subsidiaries	10		3		3
CURRENT ASSETS					
Debtors	12	13,373,960		11,650,081	
Cash at bank		8,827,189		8,405,251	
		22,201,149	2,150,676	20,055,332	1,605,830
Creditors: amounts falling due within one year	13	(18,733,354)		(16,136,985)	
Net Current Assets			3,467,795		3,918,347
Total assets less current liabilities			5,618,471		5,524,177
Creditors: amounts falling due after one year	18		(10,000)		-
NET ASSETS			5,608,471		5,524,177
RESERVES					
Unrestricted - General	16		2,413,978		2,059,098
Designated	16		293,478		354,789
Restricted	16		2,901,015		3,110,290
			5,608,471		5,524,177

These finance statements were approved by the Board of Trustees and authorised for issue on 20 September 2022 and signed on its behalf by:

Graham Hartley, Chair
20 September 2022

The notes on **pages 36 to 54** form part of these financial statements.

Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2021/22 £	2020/21 £
CASH FLOW FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	21	885,855	1,622,445
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interest and rents from investments		46,083	30,289
Purchase of property, plant and equipment		-	(59,051)
Purchase of investments		(510,000)	(490,000)
Disposal of property		-	2,220,000
NET CASH PROVIDED BY INVESTMENT ACTIVITIES		421,938	3,323,683
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowing		-	(323,821)
Change in cash and cash equivalents in the reporting period		421,938	2,999,862
Cash and cash equivalents at the beginning of the reporting period		8,405,251	5,405,389
Cash and cash equivalents at the end of the reporting period		8,827,189	8,405,251

Movement in Net Debt

At	1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	8,405,251	421,938	8,827,189
Debt due within 1 year	-	-	-
Debt due over 1 year	-	-	-
	8,405,251	421,938	8,827,189

The notes on [pages 36 to 54](#) form part of these financial statements.

Notes forming part of the financial statements

FOR THE YEAR ENDED 31 MARCH 2022

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 under the historical cost convention and comply with the Companies Act 2006. The financial statements have been prepared in accordance with applicable Accounting Standards and comply with the requirements of the Statement of Recommended Practice, "Charities SORP (FRS 102)".

The trustees and senior management consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The results of acquisitions are accounted for from the relevant date of acquisition under the acquisition method of accounting.

Accounting policies are supplemented by estimation techniques where judgement is required in measuring the value of income and expenditure and of assets and liabilities.

b) Grants and other income

Revenue and capital-based grants are credited to the statement of financial activities in the year in which they are received or become receivable under the terms of a grant agreement.

Where grants are considered to be performance related, income is recognised to the extent that the services outlined in the funding agreement had been performed by the year end. Where income has been received but the related services had not been performed by the year-end, the balance is carried forward as deferred income.

Donations are accounted for on a cash received basis. Rental income is recognised in the period to which it relates.

Incoming resources have been allocated between the key strategic areas of activity on a basis consistent with the allocation of expenditure (note 1(d)).

c) Grants payable

Grants offered to Groundwork Trusts and other organisations are typically paid in stages, with stage payments dependent upon the submission of claims detailing the work that has been completed. Claims which fall due within the year, which relate to work completed before the year-end, have been accrued for if they had not been paid during the year.

d) Expenditure

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly allocated, they have been allocated to activities on a basis consistent with the use of resources.

Costs of raising funds relate to the cost of external promotion and publicity to raise the profile of the charity and its objectives and costs associated with bids for funding.

Direct costs of charitable activities are those costs, which have been expended on delivery programmes. Support costs have been allocated to the key strategic areas of activity on the basis of the percentage of staff time spent on each of these areas.

e) 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. The Board may, at its discretion, set aside unrestricted funds for specific future purposes and these are referred to as designated funds. Where such funds are no longer required for the intended purposes they are released back to general unrestricted reserves.

Restricted funds are those which can only be used for purposes specified by the donor, or which have been raised under the terms of a specific bid. Expenditure under the terms of the grant agreement is shown as restricted expenditure.

f) Depreciation

Tangible fixed assets are stated at cost less provision for depreciation. Depreciation is calculated so as to write off the cost less the estimated residual value of tangible fixed assets by equal annual instalments over their estimated useful economic lives as follows:

Leasehold buildings: 50 years
Office equipment: 4 years
Computer equipment: 3 years

g) Pensions

The company contributes to two defined contribution schemes. Contributions are charged to the statement of financial activities as they become payable.

h) Operating leases

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

i) Provisions

Provisions for future liabilities are recognised when the charity has a legal or constructive obligation that can be reliably estimated and for which there is an expectation that payment will be made.

j) Fixed asset investments

Investments held are valued at market value. Unrealised gains and losses on the revaluation of investments are recognised in the statement of financial activities.



2. Incoming resources from generated funds

	2022 Unrestricted	2022 Designated	2022 Restricted	2022 Total
	£	£	£	£
VOLUNTARY INCOME				
Donations and gifts	191,499	-	16,293	207,792
	<u>191,499</u>	<u>-</u>	<u>16,293</u>	<u>207,792</u>
OTHER TRADING ACTIVITIES				
Membership Fee	135,000	-	-	135,000
	<u>135,000</u>	<u>-</u>	<u>-</u>	<u>135,000</u>
INVESTMENT INCOME				
Rental income	-	-	-	-
Dividends	45,679	-	-	45,679
Bank interest	404	-	-	404
	<u>46,083</u>	<u>-</u>	<u>-</u>	<u>46,083</u>
	2021 Unrestricted	2021 Designated	2021 Restricted	2021 Total
	£	£	£	£
VOLUNTARY INCOME				
Donations and gifts	13,890	-	5,445	19,335
	<u>13,890</u>	<u>-</u>	<u>5,445</u>	<u>19,335</u>
OTHER TRADING ACTIVITIES				
Rental income	4,242	-	-	4,242
Membership Fee	102,500	-	-	102,500
	<u>106,742</u>	<u>-</u>	<u>-</u>	<u>106,742</u>
INVESTMENT INCOME				
Rental income	-	-	-	-
Dividends	26,860	-	-	26,860
Bank interest	3,429	-	-	3,429
	<u>30,289</u>	<u>-</u>	<u>-</u>	<u>30,289</u>

3. Incoming resources from charitable activities

	2022 Unrestricted	2022 Designated	2022 Restricted	2022 Total
Income for project delivery was secured from the following sources:	£	£	£	£
Central government	296,175	-	-	296,175
Local authorities	5,503	-	202,271	207,774
Public agencies	724,752	-	4,141,719	4,866,471
Private sector	1,653,936	-	8,625,304	10,279,240
National Lottery and charitable foundations	309,791	-	5,325,228	5,635,019
	<u>2,990,157</u>	<u>-</u>	<u>18,294,522</u>	<u>21,284,679</u>
Income was allocated to:				
Grant distribution	1,964,381	-	12,018,570	13,982,951
Programme delivery	714,271	-	4,370,084	5,084,355
Programme management	180,140	-	1,102,145	1,282,285
Federation support	41,557	-	254,257	295,814
Fundraising and communications	53,288	-	326,027	379,315
Running Groundwork UK	36,520	-	223,439	259,959
	<u>2,990,157</u>	<u>-</u>	<u>18,294,522</u>	<u>21,284,679</u>

Incoming resources from charitable activities (continued)

	2021 Unrestricted	2021 Designated	2021 Restricted	2021 Total
Income for project delivery was secured from the following sources:	£	£	£	£
Central government	251,158	-	-	251,158
Local authorities	234,226	-	3,058,978	3,293,204
Public agencies	722,964	-	4,238,281	4,961,245
Private sector	1,588,439	-	8,897,082	10,485,521
National Lottery and charitable foundations	483,997	-	4,724,665	5,208,662
	<u>3,280,784</u>	<u>-</u>	<u>20,919,006</u>	<u>24,199,790</u>
Income was allocated to:				
Programme delivery	2,999,237	-	19,123,798	22,123,035
Programme management	144,330	-	920,277	1,064,607
Federation support	44,107	-	281,239	325,346
Running Groundwork UK	93,110	-	593,692	686,802
	<u>3,280,784</u>	<u>-</u>	<u>20,919,006</u>	<u>24,199,790</u>

For definitions of the above categories, see section 5.4 of the strategic report

4. Cost of raising funds

	2022 Unrestricted	2022 Designated	2022 Restricted	2022 Total
	£	£	£	£
Staff costs	21,739	-	133,007	154,746
Other costs	4,332	-	26,505	30,837
	<u>26,071</u>	-	<u>159,512</u>	<u>185,583</u>
	2021 <i>Unrestricted</i>	2021 <i>Designated</i>	2021 <i>Restricted</i>	2021 <i>Total</i>
	£	£	£	£
Staff costs	17,341	-	110,571	127,912
Other costs	872	-	5,561	6,433
	<u>18,213</u>	-	<u>116,132</u>	<u>134,345</u>

5. Charitable activities

	2022 Unrestricted	2022 Designated	2022 Restricted	2022 Total
	£	£	£	£
Expenditure on projects related to the following activities:				
Community grants	1,957,590	79,341	12,061,965	14,098,896
Programme delivery	711,801	28,849	4,385,864	5,126,514
Programme management	179,518	7,276	1,106,124	1,292,918
Federation support	41,414	1,678	255,175	298,267
Fundraising and communications	53,103	2,152	327,204	382,459
Running Groundwork UK	36,394	1,475	224,246	262,115
	<u>2,979,820</u>	<u>120,771</u>	<u>18,360,578</u>	<u>21,461,169</u>

	Grants payable	Other direct costs of activities	Support costs	2022 Total
	£	£	£	£
Expenditure on projects comprised:				
Community grants	11,663,112	1,858,280	577,504	14,098,896
Programme delivery	4,240,836	675,691	209,987	5,126,514
Programme management	1,069,548	170,411	52,959	1,292,918
Federation support	246,737	39,313	12,217	298,267
Fundraising and communications	316,384	50,409	15,666	382,459
Running Groundwork UK	216,831	34,548	10,736	262,115
	<u>17,753,448</u>	<u>2,828,652</u>	<u>879,069</u>	<u>21,461,169</u>

Charitable activities (continued)

	2021 Unrestricted	2021 Designated	2021 Restricted	2021 Total
	£	£	£	£
Expenditure on projects related to the following activities:				
Programme delivery	2,932,475	165,084	17,286,869	20,384,428
Programme management	141,117	7,944	831,880	980,941
Federation support	43,126	2,428	254,224	299,778
Running Groundwork UK	91,038	5,125	536,665	632,828
	<u>3,207,756</u>	<u>180,581</u>	<u>18,909,638</u>	<u>22,297,975</u>

	Grants payable	Other direct costs of activities	Support costs	2021 Total
	£	£	£	£
Expenditure on projects comprised:				
Programme delivery	17,167,404	2,363,451	853,573	20,384,428
Programme management	826,131	113,734	41,076	980,941
Federation support	252,468	34,757	12,553	299,778
Running Groundwork UK	532,956	73,373	26,499	632,828
	<u>18,778,959</u>	<u>2,585,315</u>	<u>933,701</u>	<u>22,297,975</u>

Charitable activities (continued)

	Grants to institutions	Grants to individuals	Grant support costs	2022 Total
	£	£	£	£
Analysis of grants				
Better places	5,167,908	-	255,891	5,423,799
Improving prospects	8,063,231	-	399,254	8,462,485
Greener behaviours	4,522,309	-	223,924	4,746,233
	<u>17,753,448</u>	-	<u>879,069</u>	<u>18,632,517</u>

	Grants to institutions	Grants to individuals	Grant support costs	2021 Total
	£	£	£	£
Analysis of grants				
Better places	8,354,547	-	415,393	8,769,940
Improving prospects	5,937,758	-	295,229	6,232,987
Greener behaviours	4,486,654	-	223,079	4,709,733
	<u>18,778,959</u>	-	<u>933,701</u>	<u>19,712,660</u>

	2022	2021
	£	£
Support costs are analysed as follows:		
Staff costs	645,372	683,226
Temporary staff and recruitment	3,043	6,817
Legal and professional	27,399	22,949
Travel and subsistence	2,723	5,685
Training and meetings	16,709	9,888
IT support	109,549	108,857
Other costs	74,274	96,279
	<u>879,069</u>	<u>933,701</u>

6. Employees

	2022	2021
	£	£
The average monthly number of employees during the year was as follows:		
Programme management	37	32
Management and administration	6	4
Fundraising and communications	8	7
	51	43

	2022	2021
	£	£
The aggregated cost of these persons was as follows:		
Wages and salaries	1,527,146	1,340,815
Social security costs	143,675	131,583
Pension costs (see note 19)	229,846	209,023
	1,900,667	1,681,421

	2022	2021
	£	£
The emoluments of employees (excluding pension contributions) over £60,000 per annum are disclosed in £10,000 bands as follows:		
£60,000 - £70,000	2	2
£80,000 - £90,000	1	1

The key senior management personnel of the charity are the Chief Executive Officer, Director of Finance and Corporate Services, Director of Partnerships and Programmes, Head of Contracts and Communications Manager with a total cost in 2022 of £368,407 (2021: £362,712). Total contributions under defined contribution schemes on behalf of these higher paid employees were £19,799 (2021: £15,961).

7. Transactions with trustees

During the year ended 31 March 2022 no trustee received reimbursed travel and subsistence expenses (2021: one trustee to the value of £206). No trustees received any remuneration during the year.

8. Net incoming resources

	2022	2021
	£	£
Net incoming resources for the year is stated after charging:		
Auditor's remuneration:		
Audit - company	14,400	14,000
Depreciation	22,646	7,965
	<hr/>	<hr/>

Premiums of £670 (2021: £659) were paid on a professional indemnity policy to protect the charity and trustees from loss arising from the neglect or defaults of trustees.

9. Tangible assets

	Office and company equipment	Total
	£	£
COST OR VALUATION		
At 1 April 2021	71,215	71,215
	<hr/>	<hr/>
At 31 March 2022	71,215	71,215
DEPRECIATION		
At 1 April 2021	10,940	10,940
Charged for the year	22,646	22,646
	<hr/>	<hr/>
At 31 March 2022	33,586	33,586
NET BOOK VALUE		
At 31 March 2022	37,629	37,629
	<hr/>	<hr/>
At 31 March 2021	60,275	60,275
	<hr/>	<hr/>

10. Investments held as fixed assets

	Shares in subsidiary undertakings
	£
COST	
At 1 April 2021	3
Disposals	-
At 31 March 2022	3

NAME	Nature of business registration	Country of registration	Class of shares held	Proportion
Groundwork Trade Association Ltd	Dormant	England	Ordinary	100%
Groundwork Enterprises Ltd	Dormant	England	Ordinary	100%
Groundwork UK Ltd	Dormant	England	Ordinary	100%

	2022	2021	2022	2021
	£	£	£	£
SUBSIDIARY UNDERTAKING				
Groundwork Trade Association Ltd	4,000	4,000	4,000	4,000
Groundwork Enterprises Ltd	25,002	25,002	25,002	25,002
Groundwork UK Ltd	1	1	1	1

11. Fixed asset investments

	£
COST	
At 1 April 2021	1,545,552
Cash Investments	510,000
Unrecognised gain on revaluation	57,492
At 31 March 2022	2,113,044

Investments are held in a managed mixed fund, which is designed to deliver a return of between 3% and 4% above the Consumer Price Index, over a rolling three-year period.

12. Debtors

	2022	2021
	£	£
Grants receivable	6,098,611	5,492,705
Other debtors	40,000	-
Prepayments and accrued income	7,235,349	6,157,376
	13,373,960	11,650,081

13. Creditors

	2022	2021
	£	£
Grants due and payable	6,605,005	5,032,035
Social security and other taxes	60,633	54,927
Other creditors	183,111	35,546
Accruals	11,459,018	10,841,850
Deferred income (note 14)	425,587	172,627
	18,733,354	16,136,985

14. Deferred income

	Balance at 1 April 2021	Amount released to incoming resources	Amount deferred in the year	Balance at 31 March 2022
	£	£	£	£
Movements in deferred income during the year were as follows:				
Community projects	172,627	172,627	425,587	425,587
	172,627	172,627	425,587	425,587
	<i>Balance at 1 April 2020</i>	<i>Amount released to incoming resources</i>	<i>Amount deferred in the year</i>	<i>Balance at 31 March 2021</i>
	£	£	£	£
Community projects	68,472	68,472	172,627	172,627
	68,472	68,472	172,627	172,627

15. Analysis of net assets

	Unrestricted funds	Restricted funds	Total 2022
	£	£	£
Tangible fixed assets	37,629	-	37,629
Investments	2,113,047	-	2,113,047
Net current assets	566,781	2,901,014	3,467,795
Provision for liabilities	(10,000)	-	(10,000)
	<u>2,707,457</u>	<u>2,901,014</u>	<u>5,608,471</u>
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total 2021</i>
	£	£	£
<i>Tangible fixed assets</i>	1,605,827	-	1,605,827
<i>Investments</i>	3	-	3
<i>Net current assets</i>	808,057	3,110,290	3,918,347
	<u>2,413,887</u>	<u>3,110,290</u>	<u>5,524,177</u>

16. Statement of funds

	Designated fund	General fund	Total
	£	£	£
UNRESTRICTED FUNDS			
At 1 April 2021	354,789	2,059,098	2,413,887
Incoming resources	-	3,362,739	3,362,739
Resources expended	(120,771)	(3,005,891)	(3,126,662)
Surplus on investment	-	57,492	57,492
Transfers	59,460	(59,460)	-
At 31 March 2022	<u>293,478</u>	<u>2,413,978</u>	<u>2,707,456</u>

Statement of Funds (continued)

	Designated fund	Revaluation reserve	General fund	Total
	£	£	£	£
UNRESTRICTED FUNDS				
At 1 April 2020	485,370	410,000	1,312,416	2,207,786
Incoming resources	-	-	3,612,651	3,612,651
Resources expended	(180,581)	-	(3,225,969)	(3,406,550)
Property revaluation	-	(410,000)	410,000	-
Transfers	50,000	-	(50,000)	-
At 31 March 2021	354,789	-	2,059,098	2,413,887

The designated fund represents funds allocated for the 'Building a Better Groundwork' project and £50,000 set aside for staff training and development over the next two years.

Restricted funds comprise performance related grants as follows:	Balance at 1 April 2021	Incoming resources	Resources expended	Balance at 31 March 2022
	£	£	£	£
RESTRICTED FUNDS				
Tesco Community Grants	-	7,910,852	(7,910,852)	-
Other programmes	3,072,721	9,191,716	(9,417,570)	2,846,867
The National Lottery Community Fund	24,522	975,412	(953,867)	46,067
The National Lottery Heritage Fund	13,047	232,835	(237,801)	8,081
	3,110,290	18,310,815	(18,520,090)	2,901,015

	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 31 March 2021
	£	£	£	£
RESTRICTED FUNDS				
Tesco Community Grants	-	8,470,000	(8,470,000)	-
Other programmes	1,185,226	11,250,008	(9,362,513)	3,072,721
The National Lottery Community Fund	24,137	931,205	(930,820)	24,522
The National Lottery Heritage Fund	2,246	273,238	(262,437)	13,047
	1,211,609	20,924,451	(19,025,770)	3,110,290

Programme funds are only available for expenditure in accordance with the funders' directions.

17. Commitments under operating leases

As at 31 March, 2022, the charity had total commitments under a non-cancellable lease for premises as set out below.

	2022	2021
	£	£
Year 1	57,204	26,516
Year 2	49,532	57,204
Year 3	-	49,532
	106,736	133,252

18. Provision for dilapidation

A provision of £10,000 has been included to cover the possible dilapidation costs associated with the lease of the Walker Building. This will be reviewed annually to ensure it is sufficient to cover future possible liabilities.

19. Pensions

During the year ended 31 March 2022 Groundwork UK paid contributions into a defined contribution scheme. The total charge to the defined contribution scheme amounted to £229,847 (2021: £209,023). There were no contributions either pre-paid or outstanding at the year-end or the previous year-end.

20. Related party transactions

At the year-end a balance of £4,000 (2021: £4,000) was owed to Groundwork Trade Association Limited, a wholly owned subsidiary of the company.

21. Reconciliation of net income to net cash flow from operating activities

	2022	2021
	£	£
Net income for the reporting period (as per the SOFA)	84,294	2,104,783
ADJUSTED FOR:		
Net loss /(gains) on investments	(57,492)	(180,946)
Disposal of fixed asset investments	-	-
Depreciation charge	22,646	7,965
Investment income	(46,083)	(30,289)
(Increase) in debtors	(1,723,879)	1,809,127
Increase in creditors	2,596,369	(2,088,195)
Increase in provisions	10,000	-
Net cash provided by operating activities	885,855	1,622,445

22. Grants payable

All grants payable relate to institutional grants paid to Groundwork Trusts, delivery partners and community groups. The detailed breakdown of all grant payments is available on request from the charity's principal address.

23. Financial Instruments

All grants payable relate to institutional grants paid to Groundwork Trusts, delivery partners and community groups. The detailed breakdown of all grant payments is available on request from the charity's principal address.

	2022	2021
	£	£
Groundwork UK's financial instruments may be analysed as follows:		
FINANCIAL ASSETS		
Financial assets measured at fair value through profit and loss:		
Investments	2,113,044	1,545,552

Financial assets measured at fair value through profit or loss comprise fixed asset investments in a trading portfolio of listed company shares.

Groundwork UK would like to thank all its funders and partners. Our work to support communities has benefited significantly from funds provided by the following organisations.

	£
Access - The Foundation for Social Investment	£134,394
Avison Young	£99,565
Balfour Beatty	£80,444
Boost	£48,971
Cadent Foundation	£997,386
City & Guilds	£66,000
Comic Relief Community Fund (England)	£1,935,626
Coop Foundation	£96,757
Department for Work & Pensions	£601,699
Direct Line insurance Services	£20,000
Education & Skills Funding Agency	£1,726,390
Energy Saving Trust	£289,175
Greater London Authority	£258,241
Grosvenor	£40,000
HS2 Limited	£2,873,182
John Lewis	£150,000
Jones Lang Lasalle Limited	£4,620
Locality	£31,685
Department for Levelling up, Housing & Communities	£3,661,308
National Community Land Network	£3,666,770
NHS Property Services	£118,093
One Stop Stores	£308,755
Royal Society of Wildlife Trusts	£172,360
Segro	£50,000
Tesco PLC	£7,667,200
The Guinness Partnership	£17,161
The National Lottery Community Fund	£975,433
The National Lottery Heritage Fund	£1,231,194
Veolia	£11,052
Way of Life	£9,995
Yondr	£28,532

Advisers

Auditors

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Oldbury B69 2DG

Bankers

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Edinburgh EH3 8YJ

Investment Managers

Rathbone Investment Management
8 Finsbury Circus
London EC2M 7AZ

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B3 2ES

The Board of Trustees

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

Appointed trustees	First appointed	Last appointed	Retired/resigned
Tony Berry	October 2019	AGM 2020	
Stuart Bonham	December 2019	AGM 2020	
Wendy Golland	September 2014	AGM 2020	
Jeff Greenidge	March 2019	AGM 2019	
Patrick Hughes	September 2021	AGM 2021	
Mike Master	September 2008	AGM 2020	Resigned Sept 2021
Antony Nelson	March 2019	AGM 2019	
Nigel Reader	July 2021	AGM 2021	
Paul Roots	March 2019	AGM 2019	
Anne-Marie Simpson	December 2019	AGM 2020	
Alan Smith	June 2014	AGM 2020	
Andrew Thurston	January 2021	AGM 2021	

Co-opted trustees	First appointed	Last appointed	Retired/resigned
Faiza Amin	September 2019	AGM 2019	
Kate Culverhouse	December 2013	AGM 2020	Resigned Sept 2022
Graham Hartley (Chair)	August 2015	AGM 2021	
Geoff Howsego	June 2012	AGM 2018	Resigned Sept 2021
Claire Marshall	December 2021		
Mike Ormerod	June 2018	AGM 2018	Resigned June 2022
Jack White	September 2019	AGM 2019	

Company Secretary

Paul Viles

Appointed trustees

Chairs' Committee	Chair – Graham Hartley
Federation Executive Team	Stuart Bonham
Chair	– Graham Parry
Groundwork UK Committee	Chair – Claire Marshall
Audit Committee	Chair – Stuart Bonham

Chief Executive

Graham Duxbury



GROUNDWORK

To find out more about Groundwork,
please get in touch:

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Groundwork UK is the operating name of the Federation of Groundwork Trusts, a company limited by guarantee.
Company Registration Number: 1900511. Charity Registration No: 291558

THE FEDERATION OF GROUNDWORK TRUSTS

England & Wales - Charity number 291558

Accounts

2020/21

The Federation of Groundwork Trusts

Annual Report and Financial Statements



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The Federation of Groundwork Trusts
Operating as Groundwork UK

Charity registration number
291558
Company registration number
01900511

Registered office
Suite B2, The Walker Building
58 Oxford Street, Birmingham
B5 5NR

About Groundwork UK

Groundwork is a federation of charities mobilising practical community action on poverty and the environment across the UK.

We're passionate about creating a future where:

- every neighbourhood is vibrant and green
- every community is strong and able to shape its own destiny
- no-one is held back by their background or circumstances.

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

This means creating green jobs that build wealth in local communities, changing behaviour to reduce wasted food, energy and water, providing biodiverse, accessible green spaces, supporting businesses to be more responsible and empowering communities to lead activities that improve their quality of life and promote health and wellbeing.

Groundwork harnesses the passion, skills and experience of more than 1,200 employees and around 100 volunteer trustees across the UK. In 2020/21, the Groundwork federation delivered projects and programmes to

a value of some £78 million involving and benefiting more than 1.8 million people.

Groundwork UK is the central body of Groundwork, responsible for the brand, systems and agreements that hold the federation together. We add value to Groundwork's local activities by building the organisation's profile, developing relationships with national partners, funders and commissioners, unlocking resources and managing programmes and contracts delivered by Groundwork Trusts and others. We act as Groundwork's national voice in the outside world and help all parts of Groundwork gain the benefits of being in a federation by providing opportunities to collaborate, share skills and learn from good practice.

Groundwork UK is registered as a company and charity under the name The Federation of Groundwork Trusts, denoting its status as the membership body for Groundwork Trusts. This report outlines the activity, priorities and financial position of Groundwork UK and sits within the wider narrative about Groundwork's collective achievements, which can be found in our federation impact report - [Our impact | Groundwork](#)





Chair's statement

This has been a year like no other for anybody running a business or charity, and I am full of pride and admiration at how our organisation has responded to the existential challenges presented by the Covid crisis.

Groundwork UK sits at the centre of a federation that has shown immense flexibility, creativity and commitment in ensuring programmes keep running and services are delivered in the most testing of circumstances.

We shouldn't be surprised - Groundwork's origins lie in the economic recession of the 1970s and our organisation was established as a radical experiment in bringing together public and private resources to support communities to tackle social and environmental challenges.

Over the last four decades we've learned what works to help community organisations become more resilient, to help young people

face the future with confidence and to help those who are vulnerable or isolated improve their prospects and networks.

This learning enabled us to adapt our ways of working to support those who most need it through the pandemic - providing emergency grants to local organisations, helping young people stay connected and finding innovative ways to encourage people to enjoy the natural world.

The UK Government has committed to a number of longer-term priorities which will present important opportunities to position Groundwork as an organisation able to support communities through the ongoing crisis and to help local areas plan for a future recovery. In particular, the commitment to 'levelling up' the UK in terms of economic prospects and the promise of a 'green recovery', which tackles the climate and nature emergency at the same time as the health and economic crisis, provide

a platform for promoting the value of Groundwork's approach to local sustainable development.

As we enter our 40th year of operation, the experimental approach and entrepreneurial spirit of those Groundwork pioneers needs to be at the forefront as we apply ourselves to the challenges ahead. Our aim is to support a recovery that is both green and fair, that puts communities in control of the decisions that affect them and that helps to create a society that promotes healthier and more sustainable lifestyles.

I would like to thank all those within our federation - and those who have been steadfast partners over this difficult period. I hope you'll continue to support us as we set out on the next exciting phase of our organisational journey.



Graham Hartley, Chair
20 September 2021

Governance

Registration numbers

Charity Registration Number:
291558

Company Registration Number:
01900511

How we are organised and governed

Groundwork UK is the operating name of The Federation of Groundwork Trusts, a charity and a company limited by guarantee. The governing documents are its Memorandum and Articles of Association, which were last amended by written resolution on 6 December 2018.

Membership of Groundwork UK comprises Groundwork Trusts. Groundwork Trusts are organisations, which are registered charities and companies limited by guarantee with similar objects to Groundwork UK but delivering in local areas within the UK. A membership agreement sets out our internal roles, relationships and behaviours and the whole of Groundwork operates to a single, common strategy, which is overseen by our Board of Trustees.

The Board of Trustees comprises the trustees of Groundwork UK in accordance with the Charities Act 2011, who are also the directors of the company in accordance with the Companies Act 2006. The majority of our trustees are appointed from the boards of our member Groundwork Trusts.

A number of independent trustees, including our Chair, are co-opted by the Board on account of their skills, experience or networks.

Our trustees are responsible for ensuring Groundwork UK is managed effectively and efficiently with appropriate systems, processes and policies governing our fundraising and financial management, our assets and investments and our responsibilities to our staff, volunteers and beneficiaries. Trustees pay particular attention to our responsibilities in respect of health and safety, safeguarding, data protection and information security, and we also have trustee champions overseeing our work to reduce our carbon footprint and promote equity, diversity and inclusion across our organisation.

The work of the Board is supported by four sub-committees:

- **Groundwork UK Committee**
- oversees the development and management of our programmes and services, ensures risk are managed and supports the operational and financial performance of our organisation.
- **Groundwork UK Audit Committee**
- oversees our audit process and reviews our Annual Report and Financial Statements independently of the Groundwork UK Committee.

- **Federation Executive Team**

- executives from each Groundwork Trust support the Board with the formulation of strategy and policy for the whole of Groundwork.

- **Chairs' Committee**

- assists with appointments to the Board, selection of the Chair and appointment of senior staff at Groundwork UK.

As a charity supporting young people to play an active role in their communities, we want to ensure that our strategic decision-making and operational plans are informed by the views of young people. Our **Youth Advisory Board** meets regularly, acting as a sounding board for our internal teams and providing a platform for building and supporting a wider network of young people to improve their own lives and neighbourhoods.

Groundwork UK's Management Team is led by the Chief Executive and includes senior staff members responsible for financial management and corporate services, fundraising, communications and programme performance. This team operates through delegated powers outlined in our financial regulations and provides regular reports on financial and operational performance and risk management.

Relationships within Groundwork

Groundwork is a federation of independent charities, each working under a common brand to a common strategy. This strategy sets the direction, milestones and targets, which influence operational decision-making across all parts of Groundwork and against which executives hold each other to account. Within this strategic framework Groundwork Trusts make their own decisions about the project work they develop and deliver.

Groundwork UK delivers services and activities to support Groundwork Trusts by building brand and profile, generating income for local delivery and supporting quality and impact. Groundwork UK is held to account for its performance by its members. Each Groundwork Trust signs a membership agreement, which sets out the commitments made by all parts of Groundwork in relation to quality, governance and ways of working and defines the services Groundwork UK will deliver on behalf of the federation.

The appointed trustees of Groundwork UK are also trustees of Groundwork Trusts but are not considered to be related parties under the definition of the SORP and transactions between Groundwork UK and Groundwork Trusts do not require separate disclosure. Groundwork UK has considered the other disclosure requirements of the SORP and believes that there are no other related party transactions except for those between itself and its wholly owned subsidiary companies, as listed on page 38.

Our commitments

The Board is committed to the principles of good governance set out in the Charity Commission

Governance Code and all boards within Groundwork have reviewed their performance against this standard in the last year.

Our federation strategy sets out the principles which underpin all of our work.

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

The Groundwork UK staff team has agreed a set of values to inform the way we work and behave. We will be **environmentally aware** and focused on **communities in need**.

We will be **collaborative**, show **integrity** and strive for **quality** in everything we do.

Our decisions, actions and operations are also guided by our sustainable development policy, which sets out how we will contribute to creating a strong and just society living within environmental limits, and this year we will be working with colleagues from across Groundwork to measure our collective carbon footprint and agree an action plan aimed at achieving 'net zero' emissions.

As a charity dedicated to supporting people who may be vulnerable we are committed to ensuring our operations are delivered safely and that our staff, volunteers and service users are able to speak freely about any concerns they have. We have a Groundwork-wide commitment to effective safeguarding – including e-safety – and comprehensive complaints and whistleblowing procedures.

Our work is designed to address the needs of all sections of the community and we provide equal access to our services regardless of people's backgrounds, circumstances or characteristics. We have a national working group advising the Board on effective ways of promoting equity, diversity and inclusion across our federation. We monitor levels of diversity within our staff team to ensure it reflects the communities of which we are a part and gather feedback from colleagues about our culture and employment practices to ensure they are as inclusive as possible.

Groundwork UK is registered with the Fundraising Regulator and complies with all relevant codes of practice. All of our fundraising is managed internally and we do not employ commercial participators or professional third-party fundraisers.

Objectives and public benefit

Groundwork UK's charitable objectives are set down in its Memorandum of Association and date from the interpretation of charitable activities when they were drafted in 1985, as amended at annual general meetings and by written resolution. They commit Groundwork UK to delivering and promoting regeneration and sustainable development as follows.

- To conserve, protect and **improve the physical and natural environment** anywhere in the United Kingdom and Republic of Ireland.
- To **improve quality of life** by providing welfare, recreation or leisure facilities.
- To advance public **education in environmental matters**.
- To promote **urban or rural regeneration** in areas of social and economic deprivation through:
 - the relief of poverty and unemployment
 - providing education, training or work experience for people who are unemployed
 - delivering financial assistance, technical assistance, business advice or consultancy in order to help people get back to work
 - creating training and employment opportunities by providing work space, buildings and land
- maintaining or improving public amenities such as footpaths and cycle ways
- the preservation of buildings or sites of historic or architectural importance
- reclaiming derelict land for use as open space
- providing public health facilities and schemes to promote healthier living
- alleviating anti-social behaviour and supporting crime prevention.
- To promote **sustainable development** for the benefit of the public by:
 - preserving, conserving and protecting the environment
 - promoting the prudent use of natural resources
 - improving quality of life in socially and economically disadvantaged communities
 - promoting sustainable means of achieving economic and social growth and regeneration
 - educating the public in how to protect and improve the environment.
- To promote the **efficiency and effectiveness of charities** in helping them deliver their objectives by providing information, advice and assistance.

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

Strategic report

for the year ended 31 March 2021

The Board of Trustees presents its report for the year ended 31 March 2021. This includes:

- an introduction to our organisation (page 3)
- our objectives and governance (pages 6-8)
- our financial and operational review for the year (pages 10-23)
- our plans for the future (page 18-19)
- details of our trustees, senior staff and advisers (pages 46-47)

Performance overview

At the start of 2020 the whole Groundwork federation approved a new, three-year strategy intended to guide and underpin our national and local operations. The strategy reaffirmed and updated Groundwork's mission statement with a renewed commitment to mobilise practical action on poverty and the environment. This was accompanied by a sharper focus on activity to address climate change and to tackle inequality on the basis that 'no-one should be held back by their background or circumstances'.

The strategy was finalised in March 2020, just as the world was turned upside down by the onset of the Covid pandemic.

The experience of the pandemic demonstrated that the strategy sets out exactly the right priorities for our organisation. Covid has highlighted and exacerbated social and health inequalities, exposing the fragility of many people's employment conditions (especially young people) and the vastly differing ability of people to cope with the experience of lockdown, whether in relation to the costs of being at home, the isolating effect of digital exclusion or the inability to access open spaces to support physical health and mental wellbeing.

As our society begins to open up and we cautiously look to the future, the focus of governments and local authorities is on the need and opportunity to deliver a 'green recovery', re-setting the economy and regenerating communities so that we lock in some of the sustainability upsides the pandemic has brought but also create new economic opportunities that take us towards our national and global targets for net zero.

Across the Groundwork federation we saw innovative responses to these challenges and opportunities.

- Despite the limitations of lockdown we have seen strong interest and growth in our environmental services in some parts of the country, such as the expansion of Green Doctor programmes and new consultancy work to support the development of climate emergency plans.
- We have seen the first climate change specialists employed in the federation, embedded carbon literacy training into many of our employment initiatives and are in the vanguard of policy and delivery work in relation to 'green jobs'.

- We have initiated sector-wide debate about the inequality of access to urban nature and become recognised as leaders in the development and management of 'community hubs' and green social prescribing.
- We have increased the scale and reach of our national community grant schemes and, in some areas, been part of the front-line response to the pandemic, supporting the distribution of food and medicines and helping keep communities connected.

Financially we have navigated potential pitfalls using emergency support funds available from government and other funders, and in some parts of the federation we have secured major new programmes of work.

Although total federation turnover is down by 12% on the previous year, this has been managed effectively so that reserves have, in the main, been protected, and in some cases strengthened.

Delivery impact

In spite of – and in response to – the pandemic, we have continued to deliver impact across all three of our priority areas:

- Better places**
 - We have delivered improvements to open spaces through our local landscape teams and provided thousands of grants to community organisations, helping to improve the social infrastructure of local communities.
- Improved prospects**
 - We have adapted our ways of working to continue supporting young people and jobseekers remotely and been at the forefront of campaigns and programmes to address the economic impact of the pandemic, including through the Government’s Kickstart initiative.
- Greener choices**
 - We have adapted and expanded our work to support people in fuel poverty and found new ways of engaging businesses and their employees in environmental action, for example through the online Groundwork Eco Challenge.

In developing our federation strategy we set ourselves a number of collective three-year delivery targets. Performance against those targets is set out below.

Target By 2023 we will have:	Progress Year 1
<ul style="list-style-type: none"> • mobilised 75,000 days of voluntary action to combat the climate and nature emergency 	<ul style="list-style-type: none"> • 25,590 volunteer days, including business volunteers
<ul style="list-style-type: none"> • improved the wellbeing of 50,000 people by connecting them with their community and with nature 	<ul style="list-style-type: none"> • 4,844 young people experiencing a positive personal outcome • 15,461 people supported to adopt greener behaviours
<ul style="list-style-type: none"> • helped 20,000 people improve their life chances by accessing learning and work 	<ul style="list-style-type: none"> • 2,589 people supported into education, training or work

A review of our federation-wide performance measures at the end of year 1 highlights a number of trends as follows.

- The majority of measures show under-performance in relation to the targets set at the start of the year. This is to be expected given the impact of the pandemic on turnover and the fact that up to 45% of staff in the federation were on furlough for some part of the year, impacting significantly on delivery capacity.
- There has been a particularly steep drop in the number of outcomes connected with improving open spaces, including planting trees. Again this can be explained by the fact that lockdown limited the number of sites that could be accessed and the type of projects that could be delivered.
- A notable exception to this is work to support young people, which has demonstrated levels of performance above start-of-year forecasts (up by 25%). This demonstrates the increased need for this support and the creativity shown by delivery staff in finding alternative methods of delivery.
- The number of Green Doctor home visits delivered is below anticipated levels (by a factor of 37%), but the number of people helped with their utility bills has only dropped by 12%, indicating the ability of delivery staff to reach vulnerable customers through other means.
- Activity with schools and with businesses is below target levels due to the inability to gain access to premises, but we have supported many more community organisations than planned (6,700 compared to an initial forecast of 5,000), demonstrating the degree to which Groundwork Trusts have been engaged to support emergency relief work in local areas.

Building a Better Groundwork

Our strategy contains a number of actions designed to strengthen our organisational resilience and grow our collective impact. A summary of progress against these actions is provided below.

Action	Progress
Improve our communications and fundraising capabilities and drive innovation in income generation to diversify our range of revenue sources	Strong progress in communications with active network of specialists developing coordinated campaign plans. Initial conversations underway to explore a more connected approach to fundraising, including e-commerce opportunities.
Develop new business models to enable our specialist teams to offer commercial services across larger areas of the country	Improved delivery structures and marketing plans in place to support Sustainable Business Services and Landscape Architecture. Work underway to develop more connected national service offer for Green Doctor.
Improve our ability to capture data that demonstrates the impact of our work and helps us prioritise the actions that contribute most to achieving our mission	Initial work completed with external support to develop an 'impact framework' enabling delivery outcomes to be planned, tracked and assessed. More work needed to refine data captured and agree common tools.
Embed a new set of quality standards and harmonised systems to ensure that all parts of Groundwork are operating efficiently and effectively	Groundwork Quality Standards now in place and Federation Business Management Group meeting regularly to review and improve processes and systems.
Undertake governance reviews across our federation to improve practice in line with the Charity Commission's governance code	Reviews completed or in progress in all Trusts with resulting actions underway. Governance a major focus of our federation EDI plan (see below).
Drive a federation-wide initiative to improve the way we promote equity, diversity and inclusion	Action plan and federation working group in place. Data capture in progress and proposal developed to engage external support to drive pace of change.
Seek opportunities to consolidate structures and share services so that all parts of the country are served by a strong and high-performing Groundwork organisation	Significant progress in north and south England with more consolidated structures, improved balance sheets and more extensive collaboration. Work underway to develop more shared activity in central England and increased level of dialogue between Trusts in Wales and Northern Ireland.



Groundwork UK

Groundwork UK's business plan is used to track trends in our operational and financial performance, and provide a headline assessment of our achievements in fundraising, profile raising, programme delivery and quality improvement, including feedback from stakeholders. Performance reports are provided to our trustees on a quarterly basis with financial KPIs tracked through monthly management accounts and used to inform regular re-forecasts of our financial position.

2020/21 was a year of strong performance by the Groundwork UK team, with our key performance indicators for the year substantially met or showing an improving trend by the year end. We closed the year with surplus funds in excess of £380k and our reserves policy met, ensuring we are in a position to invest in the capacity and activities that will enable the whole of Groundwork to play a part in the post-Covid recovery.

The last year has seen a number of successes which have contributed to our strong end of year performance and which build the foundations for the coming years. Our role as a provider of community grants saw us work rapidly with our key funding partners Tesco and Comic Relief to design and deliver emergency funding programmes for community groups on the front line of the pandemic response.

This coincided with an extension of our agreement with HS2 to distribute increased funds to support communities and local economies linked to phase 2a of the project. We were also invited by the Access Foundation to develop a new programme of financial and training support for environmental enterprises.

Between April 2020 and March 2021 we distributed more than 16,000 grants to a value of almost £19 million on behalf of the Ministry of Housing, Communities and Local Government, the Greater London Authority, Tesco and OneStop, Comic Relief, HS2, the Education and Skills Funding Agency and the property company Avison Young.

During the year we have mobilised or extended programmes of local delivery by Groundwork Trusts and other partners. Our Natural Neighbourhoods programme (funded through the Government's Green Recovery Challenge Fund) will see us employing 100 young people and working with 360 volunteers to improve more than 70 green spaces in communities across the North and Midlands and our Future Proof Parks programme, inspiring young people to get involved as volunteers in their local parks and green spaces, reaches its culmination with a national communications drive designed to ensure a strong legacy by inspiring young people across the country to take action in their own neighbourhoods.





Although heavily disrupted by the pandemic, our programmes of Green Doctor delivery, funded by the Ofgem Redress Fund and Cadent Foundation, have offered a lifeline to people trapped in fuel poverty. Similarly, we have continued to support young people and those who are unemployed to mitigate the impacts of lockdown on their mental health and future prospects. We completed our programme of adult learning at the end of the academic year, having supported more than 450 learners over the last 4 years with a 90% achievement rate. At the same time we introduced our new, federation-wide training programme for young people employed through the Kickstart scheme and received the welcome news that our Building Better Opportunities Progress programme in the West Midlands will be extended to 2023.

Our investment in work to develop new corporate relationships has also begun to pay off. We have been approved as the charity partner of both Veolia and Balfour Beatty and secured more funds for Groundwork Trusts to improve open spaces in partnership with Coop Central England and NHS Property Services. We are continuing to make new links and manage a significant number of enquiries.

Our work to position and promote Groundwork through policy and research activity has continued to create opportunities. Our report on equity in access to urban nature was seen as timely and influential, and we have continued to advocate for investment in green skills and job creation.

Supporting the wellbeing of the Groundwork UK team has been one of our top priorities during the pandemic – recognising the personal and professional challenges presented by repeated lockdowns. This led to renewed activity to enable staff to connect informally and new opportunities to engage in online activities to promote physical health and mindfulness.

With our new office base open for business in central Birmingham, we are in the process of working through revisions to our staff handbook and relevant policies to underpin a commitment to more flexible working, allowing those who wish to continue benefiting from homeworking while regaining the benefits of being together in teams for the purposes of sharing and collaboration.

Sustainable development report

Sustainable development is core to our charitable mission – helping communities and individuals develop the understanding and capability to take action and make choices that deliver social equity and economic prosperity while recognising the need to live within the earth’s finite natural resources.

The principles of sustainable development underpin the way we go about our work and environmental leadership is embedded in our federation strategy and in our organisational values. Our sustainable development policy commits us to reporting on how these principles are being put into practice within our own organisation.

As an expanding team, we continue to focus on ensuring that our staff adopt more sustainable practices at work. The pandemic – and associated move to homeworking – has made it necessary to switch from office-based behaviours to inspiring colleagues to take action at home, which we have done through a series of fun challenges around energy, upcycling and growing.

During the year our office base has moved from a large, inefficient building which we owned to smaller, better appointed, rented accommodation. While this brings positives in terms of a more modern, energy efficient space, it also means we will have less control over the supply of utilities etc. We will seek to engage constructively with our landlords about maximising the environmental performance of the wider development at the earliest opportunity.

To support our efforts to reduce our environmental footprint, a small team of volunteers has been working to progress a carbon reduction action plan, which is championed by a member of the Board’s Groundwork UK Committee. Priorities identified for the future include a refreshed approach to training and a review of our investment management arrangements to ensure they align with our wider environmental commitments.

To drive progress across the federation the Board has agreed that all parts of Groundwork should capture consistent data to enable a federation-wide carbon footprint to be calculated. This will then be followed by the development of a collective action plan with the aim of achieving net zero emissions by 2030.

We recognise that, as a small staff team, the greatest contribution we can make to sustainable development is through the programmes we develop and deliver. During the year we have secured funding for new programmes aimed at delivering ‘nature recovery’ (in particular our Natural Neighbourhoods programme) and also grown the scale of our Green Doctor programmes, which deliver direct CO2 reductions through energy efficiency advice. We are also working with colleagues across the federation to embed carbon literacy training into our programmes focused on employment support.

To inspire others to embark on their own journey of sustainability, we have committed to a federation-wide communications campaign in the run-up to COP26 highlighting the importance of local action in tackling the global climate crisis. This includes working with the policy organisation New Local on a major report looking at the potential for local authorities and businesses to support community-led climate action.



Our plans for the future

Groundwork's collective delivery goals are that by 2023 we will have:

- mobilise 75,000 days of voluntary action to combat the climate and nature emergency
- improve the wellbeing of 50,000 people by connecting them with their community and with nature
- help 20,000 people improve their life chances by accessing learning and work.

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

Our aims in this respect are to ensure we have:

- **expert services operating at bigger scale to help more people in more places**
- **delivery everywhere supported by stronger systems and more diverse income streams**
- **more consistent quality in our delivery so that we maximise our impact.**

Groundwork UK's business plan sets out what we will do over the next year to help the federation work towards these strategic goals and aims.





In 2021/22 this means focusing on the following strategic priorities.

Visibility and credibility

Building Groundwork's brand and profile, and providing a credible national voice with partners and funders, is the primary expectation of our Trusts and supports income generation across the federation. Our policy-led approach to positioning is working well, and our social media reach is growing. We now need to build on this by using our increased visibility to develop more extensive supporter networks to improve our fundraising performance and by working with colleagues across the federation to market Groundwork's core services.

Grant management

Groundwork UK has built up considerable experience and expertise in helping public and private funders provide grants and support to local communities. This work increases Groundwork's visibility and provides funding to support our work on communications and quality. Our priority is to maintain our existing strong relationships and continue to build a pipeline of new opportunities, while ensuring those we respond to continue to fit with our 'community support' mission.

Supporting local delivery

We continue to have an important role providing programme funds, supporting practitioner networking and driving quality across our federation. 2021/22 will see us leading some major national initiatives to support young people, improve green spaces and tackle fuel poverty, and we need to continue our work to unlock funds to support local delivery from public commissioners and private funders. Doing this successfully in a more consolidated federation will require us to work closely with service leads in Groundwork Trusts and to reassess where national support or leadership can add value to local development activities.

We recognise that the course of the pandemic, and the speed of the subsequent recovery, is hard to predict. This requires organisations to remain agile with the ability to respond to a dynamic set of circumstances. This plan is based on an assumption of a gradual return to pre-pandemic operations over the course of the year. The plan will be reviewed by Groundwork UK's management team on a quarterly basis, and more frequently if necessary, with significant changes discussed and agreed with trustees.

Financial performance

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

- to keep our overhead costs low to ensure discretionary spending is focused on supporting local delivery and generating more income, while maintaining the capacity we need to operate effectively and safely
- to achieve at least a break-even position at the end of the year so that we maintain sufficient reserves to sustain our charitable operations, manage the risks attached to outcome-based funding arrangements and invest sufficiently in quality management and income generation
- to use our financial resources to support the whole of Groundwork to increase its resilience, diversify its income streams and maximise its impact in communities.

Net incoming resources for 2020/21 totalled £24 million (2020: £25 million). Our organisational turnover is heavily dependent on the volume of grants we distribute, which fluctuates from year to year, and is not considered to be the determining factor in our assessment of financial health. Our underlying trading performance resulted in an unrestricted surplus of £387k (2020: £147k), compared to a budgeted surplus of £50k. The surplus includes an increase in the value of our investments of

£181k (budget £40k) following the recovery of markets since the sharp downturn in March 2020 as a result of Covid uncertainty. Other factors include an increase in programme activity to support communities during the pandemic and cost savings related to reduced travel and office overheads whilst staff have been working from home.

This positive outcome will help us bolster our reserves and cope with the financial uncertainties that we anticipate will lie ahead in the wake of the Covid crisis.

In addition to this income, we received funds and distributed grants totalling £4.9 million, funds for which we are responsible but which are not included in our stated turnover.

4.1 Reserves

In line with our financial strategy, our trustees have agreed that we should aim to hold 12 months operating costs (c£2.3 million) in liquid reserves. We believe this is appropriate for the following reasons:

- to absorb short term setbacks such as loss or delays in funding
- to provide the working capital required to finance retrospective programme funding, which can result in considerable timing differences between expenditure and receipt of funds

- to cover the cost of investing in staff training and development to help us deliver our objects and better support our federation members
- to cover the cost of developing new services, such as improved communications, research and quality and business information systems
- to set aside funds for capital assets such as ICT equipment
- to provide funding to cover any unforeseen downturn in activity and the associated impact on our staff team.

Our reserves policy recognises the need to operate as a responsible charity, maintaining trust with our partners and the public by not generating surpluses for which there is no future requirement or that are used for purposes which are not directly connected to our charitable aims.

Our level of free liquid reserves at the end of 2020/21 is £2.4 million.

Restricted funds - advance payments from funders pending completion of project work by Groundwork Trusts and other delivery partners – stand at £3.1 million (2020: £1.2 million). These restricted funds can only be used in accordance with agreements reached with funders and do not form part of the general reserves that are under the control of the trustees.

These funds will all be distributed during 2021/22. Movements in restricted funds reflect the long-term nature of Groundwork UK's programme activity and this in no way reflects on the organisation's financial efficiency or performance.

4.2 Investments

The majority of the funds obtained by Groundwork UK are for the delivery of specified projects and are therefore restricted. These funds are mainly distributed to Groundwork Trusts and other delivery partners operating under contract or to third party organisations in the form of grants to support local community projects. Any funds that are built up in advance of expenditure are kept as liquid as possible, whilst making every effort to maximise investment returns.

Cash that is unrestricted in nature and is not required in the short term (regarded as six months) is considered for long-term investment. Since 2010 we have invested these funds in a managed fund arrangement with a current target to deliver an annual return of between 3% and 4% above the Consumer Prices Index. In the last year, our investments made a surplus of £181k (c19%) due to the recovery of financial markets, following a sharp fall due to the Covid crisis in March 2020. All of these funds can be converted into cash without notice or penalty, should there be an immediate need for liquid funds.

4.3 Grant making policy

Groundwork UK delivers its mission primarily by distributing funds to Groundwork Trusts, other delivery partners and to community groups. These funds are considered to be performance-related grants and are recognised in these financial statements to the extent that the projects which they are funding have been completed.

All grant programmes have specific guidelines, criteria and priorities with a formal process of approval.

4.4 Principal funding sources

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

- **Private sector**

- £10.5 million (2020: £13.9 million)
- This includes funds provided by businesses and private foundations, most notably £8.5 million provided by Tesco to support community groups through the Community Grants programme.

- **Public sector**

- £8.5 million (£8.4 million in 2019/20).
- This relates to funding secured from government departments and other public bodies to deliver programmes and services. In particular in 2020/21 this included the Ministry of Housing, Communities and Local Government and the Education and Skills Funding Agency.

- **Lottery and charitable foundations**

- £4.7 million (£2.1 million in 2019/20).
- These include grants secured from the National Lottery Heritage Fund and Community Fund to support local delivery and funds distributed to community groups on behalf of Comic Relief, including additional funding to provide support to communities during the pandemic.

4.5 Expenditure on charitable objectives

Our expenditure in the year was directed towards the following charitable activities

- **Community grants**

- £18.8 million (2020: £20.1 million).
- Providing funds to enable community groups and local charities to deliver projects that improve neighbourhoods and provide support to those who are vulnerable.

- **Programme delivery**

- £2.4 million (2020: £2.9 million).
- Providing resources to support local delivery by Groundwork Trusts and other partner organisations as part of commissioned services or funded programmes.

- **Programme management**

- £980k (2020: £1 million).
- The costs of managing grant distribution and local delivery programmes, including reporting impact and generating learning from our delivery to improve practice and influence future policy.

- **Fundraising**

- £116k (2020: £157k).
- The cost of generating resources to support local delivery through campaigns, communications and bidding activities.

- **Supporting our federation**

- £300k (2020: £286k).
- Providing systems and support services to enable Groundwork Trusts to communicate effectively, share knowledge and collaborate to achieve greater impact.

- **Running our organisation**

- £633k (2020: £624k).
- Ensuring Groundwork UK operates safely and efficiently with appropriate systems, quality standards and premises.

Risks and uncertainties

Our trustees understand their responsibilities for ensuring that the major risks to which the charity is exposed are identified and reviewed, and that there are systems in place to mitigate them.

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

Groundwork UK is likely to be delivering its mission in 2021/22 against a backdrop dominated by the aftermath of the social and economic emergency created by the Covid-19 pandemic. This will continue to affect what we do, how we work and the funds available to sustain our operations.

While the course of the pandemic and subsequent recovery is far from clear, we can anticipate a number of impacts on our business as follows.

- Public sector bodies will remain in 'emergency mode' for some time to come, either prioritising their immediate response to the crisis or managing its financial consequences.
- Levels of business confidence will remain variable – and may be impacted further by the consequences of our exit from the EU – making it more challenging to secure and maintain corporate relationships.
- We will need to manage the likelihood of ongoing staff absences through sickness and isolation, and we will make a permanent switch to more flexible working, increasing further our reliance on remote systems and bringing with it the need to change the way we manage and communicate.
- Our federation will remain challenged by the same pressures, meaning local delivery of our programmes may be less reliable and making it more important for us to be able to add value to their work by supporting innovation, networking and quality.

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

- a serious safeguarding, health and safety or fraud incident occurring on a programme managed by Groundwork UK and the impact this could have both on those involved and to our reputation
- an ICT failure, cybersecurity incident or data breach that leads to financial penalties and reputational damage – a risk that has increased with greater levels of homeworking and reliance on online systems
- the unexpected withdrawal or clawback of funding from a major partner arising from a failure to meet targets or comply with funding requirements or simply due to changed priorities.

5.1 Financial instruments

Groundwork UK'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 fixed assets and working capital through retained reserves.

Statement of trustees' responsibilities

Our trustees are responsible for preparing Groundwork UK's Annual Report and Financial Statements in accordance with applicable law and regulations.

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

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

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

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

These financial statements are published on our website in accordance with UK legislation governing the preparation and dissemination of financial statements. The maintenance and integrity of the website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements published.

Events after the year end

There have been no material events after the year end to report

Disclosure of information by the trustees to the auditor

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



Signed on behalf of the Board of Trustees

Graham Hartley, Chair
20 September 2021

Independent auditor's report

to members of THE FEDERATION OF GROUNDWORK TRUSTS (TRADING AS GROUNDWORK UK)

Opinion

We have audited the financial statements of Groundwork UK (The Federation of Groundwork Trusts) ("the Charitable Company") for the year 31 March 2021 ended which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31st March 2021 and of the incoming resources and application of resources 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 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 related to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, 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, which are included in 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 misstatement in the Strategic report or the Trustee's 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 Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Directors' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines 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.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102).

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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 might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and Safety and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing procedures over income, reviewing accounting estimates for biases, designing audit procedures over income, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing 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, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, 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 non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



**Helen Drew
(Senior Statutory Auditor)**

For and on behalf of Crowe U.K. LLP,
Statutory Auditor
Black Country House,
Rounds Green Road,
Oldbury, West Midlands, B69 2DG.

Date: 16/12/2021

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

		2021	2021	2021	2021	2020
		Unrestricted funds		Restricted funds	Total	Total
	Note	General	Designated			
		£	£	£	£	£
INCOME FROM						
Donations and legacies	2	13,890	-	5,445	19,335	11,848
Charitable activities	3	3,280,784	-	20,919,006	24,199,790	24,847,286
Other trading activities	2	106,742	-	-	106,742	189,607
Investments	2	30,289	-	-	30,289	123,100
Total		3,431,705	-	20,924,451	24,356,156	25,171,841
EXPENDITURE ON						
Raising funds	4	18,213	-	116,132	134,345	157,058
Charitable activities	5	3,207,756	180,581	18,909,638	22,297,975	24,072,171
Total		3,225,969	180,581	19,025,770	22,432,320	24,229,229
Net gains (loss) on investment	10	180,946	-	-	180,946	(95,847)
Net income		386,682	(180,581)	1,898,681	2,104,782	846,765
Transfers between funds		(50,000)	50,000	-	-	-
Net (income/expenditure) after transfers		336,682	(130,581)	1,898,681	2,104,782	846,765
OTHER RECOGNISED GAINS						
Gains on revaluation of fixed assets for charity's own use		-	-	-	-	82,500
Net movement in funds		336,682	(130,581)	1,898,681	2,104,782	929,265
RECONCILIATION OF FUNDS						
Fund balances brought forward	16	1,722,416	485,370	1,211,609	3,419,395	2,490,130
Fund balances carried forward	16	2,059,098	354,789	3,110,290	5,524,177	3,419,395

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 30 to 44 form part of these financial statements.

CHARITY BALANCE SHEET

AT 31 MARCH 2021

Company registration number
01900511

	Note	2021		2020	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		60,275		1,119,189
Investment property	9		-		1,110,000
Investments	10		1,545,555		3
			<u>1,605,830</u>		<u>2,229,192</u>
CURRENT ASSETS					
Investments			-	874,606	
Debtors	11	11,650,081		13,459,209	
Cash at bank		8,405,251		5,405,389	
			<u>20,055,332</u>	<u>19,739,204</u>	
Creditors: amounts falling due within one year	12	(16,136,985)		(18,225,180)	
Net current assets			<u>3,918,347</u>		<u>1,514,024</u>
Total assets less current liabilities			<u>5,524,177</u>		<u>3,743,216</u>
Creditors: amounts falling due after one year	13		-		(323,821)
Net assets	15		<u>5,524,177</u>		<u>3,419,395</u>
RESERVES: Unrestricted funds					
General Funds	16		2,059,098		1,312,416
Designated funds	16		354,789		485,370
Investment property revaluation	16		-		410,000
Restricted funds	16		3,110,290		1,211,609
			<u>5,524,177</u>		<u>3,419,395</u>

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

Graham Hartley, Chair
20 September 2021



The notes on pages 30 to 44 form part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2020/21 £	2019/20 £
CASH FLOW FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	20	1,622,445	(263,182)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interest and rents from investments		30,289	128,324
Purchase of property, plant and equipment		(59,051)	(12,164)
Purchase of investments		(490,000)	-
Disposal of Property		2,220,000	-
NET CASH PROVIDED BY INVESTMENT ACTIVITIES		3,323,683	(147,022)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowing		(323,821)	(77,736)
Change in cash and cash equivalents in the reporting period		2,999,862	(224,758)
Cash and cash equivalents at the beginning of the reporting period		5,405,389	5,630,147
Cash and cash equivalents at the end of the reporting period		8,405,251	5,405,389

Movement in Net Debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	5,405,389	2,999,862	8,405,251
Debt due within 1 year	(77,737)	77,737	-
Debt due over 1 year	(323,821)	323,821	-
	5,003,831	3,401,420	8,405,251

The notes on pages 30 to 44 form part of these financial statements.

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 under the historical cost convention and comply with the Companies Act 2006. The financial statements have been prepared in accordance with applicable Accounting Standards and comply with the requirements of the Statement of Recommended Practice, "Charities SORP (FRS 102)".

The trustees and senior management consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The results of acquisitions are accounted for from the relevant date of acquisition under the acquisition method of accounting.

Accounting policies are supplemented by estimation techniques where judgement is required in measuring the value of income and expenditure and of assets and liabilities.

b) Grants and other income

Revenue and capital based grants are credited to the statement of financial activities in the year in which they are received or become receivable under the terms of a grant agreement.

Where grants are considered to be performance related, income is recognised to the extent that the services outlined in the funding agreement had been performed by the year end. Where income has been received but the related services had not been performed by the year-end, the balance is carried forward as deferred income.

Donations are accounted for on a cash received basis. Rental income is recognised in the period to which it relates.

Incoming resources have been allocated between the key strategic areas of activity on a basis consistent with the allocation of expenditure (note 1(d)).

c) Grants payable

Grants offered to Groundwork Trusts and other organisations are typically paid in stages, with stage payments dependent upon the submission of claims detailing the work that has been completed. Claims which fall due within the year, which relate to work completed before the year-end, have been accrued for if they had not been paid during the year.

d) Expenditure

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly allocated, they have been allocated to activities on a basis consistent with the use of resources.





Costs of raising funds relate to the cost of external promotion and publicity to raise the profile of the charity and its objectives and costs associated with bids for funding.

Direct costs of charitable activities are those costs, which have been expended on delivery programmes. Support costs have been allocated to the key strategic areas of activity on the basis of the percentage of staff time spent on each of these areas.

e) 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. The Board may, at its discretion, set aside unrestricted funds for specific future purposes and these are referred to as Designated Funds. Where such funds are no longer required for the intended purposes they are released back to general unrestricted reserves.

Restricted funds are those which can only be used for purposes specified by the donor, or which have been raised under the terms of a specific bid. Expenditure under the terms of the grant agreement is shown as restricted expenditure.

f) Depreciation

Tangible fixed assets are stated at cost less provision for depreciation. Depreciation is calculated so as to write off the cost less the estimated residual value of tangible fixed

assets by equal annual instalments over their estimated useful economic lives as follows:

Leasehold buildings:	50 years
Office equipment:	4 years
Computer equipment:	3 years

g) Pensions

The company contributes to two defined contribution schemes. Contributions are charged to the statement of financial activities as they become payable.

h) Operating leases

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

i) Provisions

Provisions for future liabilities are recognised when the charity has a legal or constructive obligation that can be reliably estimated and for which there is an expectation that payment will be made.

j) Fixed asset investments

Investments held are valued at market value. Unrealised gains and losses on the revaluation of investments are recognised in the statement of financial activities.

k) Judgments in applying accounting policies and key sources of estimation uncertainty

The Board of Trustees have not made any significant judgments or estimations during the preparation of the financial statements.

2. Incoming resources

Incoming resources from generated funds

	2021 Unrestricted	2021 Designated	2021 Restricted	2021 Total
	£	£	£	£
VOLUNTARY INCOME				
Donations and gifts	13,890	-	5,445	19,335
	<u>13,890</u>	<u>-</u>	<u>5,445</u>	<u>19,335</u>
OTHER TRADING ACTIVITIES				
Rental income	4,242	-	-	4,242
Membership Fee	102,500	-	-	102,500
	<u>106,742</u>	<u>-</u>	<u>-</u>	<u>106,742</u>
INVESTMENT INCOME				
Rental income	-	-	-	-
Dividends	26,860	-	-	26,860
Bank interest	3,429	-	-	3,429
	<u>30,289</u>	<u>-</u>	<u>-</u>	<u>30,289</u>
	2020 Unrestricted	2020 Designated	2020 Restricted	2020 Total
	£	£	£	£
VOLUNTARY INCOME				
Donations and gifts	11,848	-	-	11,848
	<u>11,848</u>	<u>-</u>	<u>-</u>	<u>11,848</u>
OTHER TRADING ACTIVITIES				
Rental income	64,207	-	-	64,207
Membership Fee	125,400	-	-	125,400
	<u>189,607</u>	<u>-</u>	<u>-</u>	<u>189,607</u>
INVESTMENT INCOME				
Rental income	58,983	-	-	58,983
Dividends	32,130	-	-	32,130
Bank interest	31,987	-	-	31,987
	<u>123,100</u>	<u>-</u>	<u>-</u>	<u>123,100</u>

3. Incoming resources

Incoming resources from charitable activities

	2021 Unrestricted	2021 Designated	2021 Restricted	2021 Total
	£	£	£	£
Income for project delivery was secured from the following sources:				
Central government	251,158	-	-	251,158
Local authorities	234,226	-	3,058,978	3,293,204
Public agencies	722,964	-	4,238,281	4,961,245
Private sector	1,588,439	-	8,897,082	10,485,521
National Lottery & Charitable foundations	483,997	-	4,724,665	5,208,662
	<u>3,280,784</u>	<u>-</u>	<u>20,919,006</u>	<u>24,199,790</u>

Income was allocated to:

Programme delivery	2,999,237	-	19,123,798	22,123,035
Programme management	144,330	-	920,277	1,064,607
Federation support	44,107	-	281,239	325,346
Running Groundwork UK	93,110	-	593,692	686,802
	<u>3,280,784</u>	<u>-</u>	<u>20,919,006</u>	<u>24,199,790</u>

	2020 Unrestricted	2020 Designated	2020 Restricted	2020 Total
	£	£	£	£

Income for project delivery was secured from the following sources:

Central government	371,726	-	4,287,861	4,659,587
Local authorities	159,682	-	1,766,788	1,926,470
Public agencies	734,293	-	1,121,769	1,856,062
Private sector	2,150,875	-	11,774,295	13,925,170
National Lottery & Charitable Foundations	338,037	-	2,112,231	2,450,268
Other	29,729	-	-	29,729
	<u>3,784,342</u>	<u>-</u>	<u>21,062,944</u>	<u>24,847,286</u>

Income was allocated to:

Programme delivery	3,476,989	-	19,352,280	22,829,269
Programme management	164,360	-	914,798	1,079,158
Federation support	44,903	-	249,918	294,821
Running Groundwork UK	98,090	-	545,948	644,038
	<u>3,784,342</u>	<u>-</u>	<u>21,062,944</u>	<u>24,847,286</u>

4. Cost of raising funds

	2021 Unrestricted	2021 Designated	2021 Restricted	2021 Total
	£	£	£	£
Staff costs	17,341	-	110,571	127,912
Other costs	872	-	5,561	6,433
	18,213	-	116,132	134,345
	2020 Unrestricted	2020 Designated	2020 Restricted	2020 Total
	£	£	£	£
Staff costs	16,481	-	91,731	108,212
Other costs	7,440	-	41,406	48,846
	23,921	-	133,137	157,058

5. Charitable activities

	2021 Unrestricted	2021 Designated	2021 Restricted	2021 Total
	£	£	£	£
Expenditure on projects related to the following activities:				
Programme delivery	2,932,475	165,084	17,286,869	20,384,428
Programme management	141,117	7,944	831,880	980,941
Federation support	43,126	2,428	254,224	299,778
Running Groundwork UK	91,038	5,125	536,665	632,828
	3,207,756	180,581	18,909,638	22,297,975
	Grants payable	Other direct costs of activities	Support Costs	2021 Total
	£	£	£	£
Expenditure on projects comprised:				
Programme delivery	17,167,404	2,363,451	853,573	20,384,428
Programme management	826,131	113,734	41,076	980,941
Federation support	252,468	34,757	12,553	299,778
Running Groundwork UK	532,956	73,373	26,499	632,828
	18,778,959	2,585,315	933,701	22,297,975

5. Charitable activities (continued)

	2020 Unrestricted £	2020 Designated £	2020 Restricted £	2020 Total £
Expenditure on projects related to the following activities:				
Programme delivery	3,530,457	153,778	18,432,871	22,117,106
Programme management	166,888	7,269	871,337	1,045,494
Federation support	45,593	1,986	238,045	285,624
Running Groundwork UK	99,598	4,338	520,011	623,947
	<u>3,842,536</u>	<u>167,371</u>	<u>20,062,264</u>	<u>24,072,171</u>
	Grants payable £	Other direct costs of activities £	Support Costs £	2020 Total £
Expenditure on projects comprised:				
Programme delivery	18,480,936	2,893,787	742,383	22,117,106
Programme management	873,608	136,792	35,094	1,045,494
Federation support	238,666	37,371	9,587	285,624
Running Groundwork UK	521,367	81,637	20,943	623,947
	<u>20,114,577</u>	<u>3,149,587</u>	<u>808,007</u>	<u>24,072,171</u>
	Grants to institutions £	Grants to individuals £	Grant support costs £	2021 Total £
Analysis of grants				
Better places	8,354,547	-	415,393	8,769,940
Improving prospects	5,937,758	-	295,229	6,232,987
Greener behaviours	4,486,654	-	223,079	4,709,733
	<u>18,778,959</u>	<u>-</u>	<u>933,701</u>	<u>19,712,660</u>
	Grants to institutions £	Grants to individuals £	Grant support costs £	2020 Total £
Analysis of grants				
Better places	10,825,777	-	434,874	11,260,651
Improving prospects	3,716,847	463,498	167,925	4,348,270
Greener behaviours	5,108,455	-	205,208	5,313,663
	<u>19,651,079</u>	<u>463,498</u>	<u>808,007</u>	<u>20,922,584</u>

For definitions of the above categories, see section 4.5 of the Strategic report

5. Charitable activities (continued)

	2021	2020
	£	£
Support costs are analysed as follows:		
Staff costs	683,226	505,654
Temporary staff and recruitment	6,817	3,752
Legal and professional	22,949	22,478
Travel and subsistence	5,685	18,879
Training and meetings	9,888	2,697
IT support	108,857	140,630
Other costs	96,279	113,917
	933,701	808,007

6. Employees

	2021	2020
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The average monthly number of employees during the year was as follows:

Programme management	32	31
Management and administration	4	4
Fundraising and communications	7	7
	43	42

	2021	2020
	£	£

The aggregated cost of these persons was as follows:

Wages and salaries	1,340,815	1,254,525
Social security costs	131,583	123,445
Pension costs (see note 20)	209,023	211,085
	1,681,421	1,589,055

	2021	2020
	£	£

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

£60,000 - £70,000	2	3
£80,000 - £90,000	1	1
£90,000 - £100,000	-	-

The key senior management personnel of the charity are the Chief Executive Officer, Director of Finance and Corporate Services, Director of Partnerships and Programmes and the Head of Contracts with a total cost in 2021 of £310,189 (2020: £307,184). Total contributions under defined contribution schemes on behalf of these higher paid employees were £15,961 (2020: £15,803).

7. Transactions with trustees

During the year ended 31 March 2021 one trustee (2020: six) received reimbursed travel and subsistence expenses amounting in total to £206 (2020: £2,408). No trustees received any remuneration during the year.

8. Net incoming resources

	2021	2020
	£	£
Net incoming resources for the year is stated after charging:		
Auditor's remuneration:		
Audit – company	14,000	13,650
Depreciation	7,965	11,294
Rentals payable under operating leases:		
Equipment	-	-
Land and buildings	-	-

Premiums of £659 (2020: £644) were paid on a professional indemnity policy to protect the charity and trustees from loss arising from the neglect or defaults of trustees.

9. Tangible assets

	Long leasehold land and buildings	Office and company equipment	Total
	£	£	£
COST OR VALUATION			
At 1 April 2020	1,390,933	773,348	2,164,281
Additions	-	59,051	59,051
Revaluation reserve	-	-	-
Disposals	(1,390,933)	(761,184)	(2,152,117)
At 31 March 2021	-	71,215	71,215
DEPRECIATION			
At 1 April 2020	280,933	764,159	1,045,092
Charged for the year	-	7,965	7,965
Disposals	(280,933)	(761,184)	(1,042,117)
At 31 March 2021	-	10,940	10,940
NET BOOK VALUE			
At 31 March 2021	-	60,275	60,275
At 31 March 2020	1,110,000	9,189	1,119,189

10. Investments held as fixed assets

	Investment Property £	Listed investments £	Shares in subsidiary undertakings £
COST			
At 1 April 2020	1,100,1000	874,606	3
Cash Investments	-	490,000	-
Disposals	(1,100,1000)	-	-
Unrecognised gain on revaluation	-	180,946	-
At 31 March 2021	-	1,545,552	3

Investments are held in a managed mixed fund, which is designed to deliver a return of between 3% and 4% above the Consumer Price Index, over a rolling three-year period.

NAME	Nature of business registration	Country of registration	Class of shares held	Proportion
Groundwork Trade Association Ltd	Dormant	England	Ordinary	100%
Groundwork Enterprises Ltd	Dormant	England	Ordinary	100%
Groundwork UK Ltd	Dormant	England	Ordinary	100%

SUBSIDIARY UNDERTAKING	Net assets		Retained surplus for the year	
	2021 £	2020 £	2021 £	2020 £
Groundwork Trade Association Ltd	4000	4,000	-	-
Groundwork Enterprises Ltd	25,002	25,002	-	-
Groundwork UK Ltd	1	1	-	-

11. Debtors

	2021	2020
	£	£
Grants receivable	5,492,705	8,767,491
Other debtors	-	38,772
Prepayments and accrued income	6,157,376	4,652,946
	11,650,081	13,459,209

12. Creditors

	2021	2020
	£	£
Bank loans	-	77,737
Grants due and payable	5,032,035	3,951,815
Social security and other taxes	54,927	51,159
Other creditors	35,546	179,878
Accruals	10,841,850	13,896,119
Deferred income (note 14)	172,627	68,472
	16,136,985	18,225,180

13. Creditors: amounts falling due in more than one year

	2021	2020
	£	£
Bank loan	-	323,821
BANK LOAN		
1 year	-	77,736
2 to 5 years	-	233,208
> 5 Years	-	12,877
	-	323,821

Creditors include amounts not wholly repayable within 5 years as follows:

Bank loans	-	12,877
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14. Deferred income

	Balance at 1 April 2020	Amount Release to Incoming Resources	Amount Deferred in the Year	Balance at 31 March 2021
	£	£	£	£
Movements in deferred income during the year were as follows:				
Community Projects	68,472	68,472	172,627	172,627
	68,472	68,472	172,627	172,627
	<i>Balance at 1 April 2019</i>	<i>Amount Release to Incoming Resources</i>	<i>Amount Deferred in the Year</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£
Community Projects	24,997	24,977	68,472	68,472
Volunteering Projects	40,135	40,135	-	-
	65,132	65,132	68,472	68,472

15. Analysis of net assets at 31 March 2021

	Unrestricted funds	Restricted funds	Total
	£	£	£
Tangible fixed assets	60,275	-	60,275
Investments	1,545,555	-	1,545,555
Net current assets	808,057	3,110,290	3,918,347
	2,413,887	3,110,290	5,524,177

Analysis of net assets at 31 March 2020

	Unrestricted funds	Restricted funds	Total
	£	£	£
Tangible fixed assets	1,119,189	-	1,119,189
Investment property	1,110,000	-	1,110,000
Investments	3	-	3
Net current assets	302,415	1,211,609	1,514,024
Long term creditors	(323,821)	-	(323,821)
	2,207,786	1,211,609	3,419,395

16. Statement of funds

	Designated fund	Revaluation reserve	General fund	Total
	£	£	£	£
UNRESTRICTED FUNDS				
At 1 April 2020	485,370	410,000	1,312,416	2,207,786
Incoming resources	-	-	3,612,651	3,612,651
Resources expended	(180,581)	-	(3,225,969)	(3,406,550)
Property revaluation	-	(410,000)	410,000	-
Transfers	50,000	-	(50,000)	-
At 31 March 2021	354,789	0	2,059,098	2,413,887

	Designated fund	Revaluation reserve	General fund	Total
	£	£	£	£
UNRESTRICTED FUNDS				
At 1 April 2019	147,956	327,500	1,670,608	2,146,064
Incoming resources	-	-	4,108,897	4,108,897
Resources expended	(167,371)	-	(3,866,457)	(4,033,828)
Property revaluation	-	82,500	-	82,500
Transfers	504,785	-	(504,785)	-
Loss on investments	-	-	(95,847)	(95,847)
At 31 March 2020	485,370	410,000	1,312,416	2,207,786

The designated fund represents funds allocated for the 'Building a Better Groundwork' project and £50,000 set aside for staff training and development over the next two years.

	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 31 March 2021
	£	£	£	£
Restricted funds comprise performance related grants as follows:				
RESTRICTED FUNDS				
Tesco Bags of Help	-	8,470,000	(8,470,000)	-
Other programmes	1,185,226	11,250,008	(9,362,513)	3,072,721
The National Lottery Community Fund	24,137	931,205	(930,820)	24,522
The National Lottery Heritage Fund	2,246	273,238	(262,437)	13,047
Total	1,211,609	20,924,451	(19,025,770)	3,110,290

16. Statement of funds (continued)

	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 31 March 2020
	£	£	£	£
RESTRICTED FUNDS				
Tesco Bags of Help	-	11,052,079	(11,052,079)	-
Other programmes	222,932	9,009,346	(8,047,052)	1,185,226
The National Lottery Community Fund	118,252	736,721	(830,836)	24,137
The National Lottery Heritage Fund	2,882	264,798	(265,434)	2,246
	<hr/>	<hr/>	<hr/>	<hr/>
Total	344,066	21,062,944	(20,195,401)	1,211,609
	<hr/>	<hr/>	<hr/>	<hr/>

Programme funds are only available for expenditure in accordance with the funders' directions.

17. Commitments under operating leases

As at 31 March, 2021, the charity had total commitments under a non-cancellable lease for premises as set out below.

	2021	2020
	£	£
Year 1	26,516	-
Year 2	57,204	-
Year 3	49,532	-
	<hr/>	<hr/>
	133,252	-
	<hr/>	<hr/>

18. Pensions

During the year ended 31 March 2021 Groundwork UK paid contributions into a defined contribution scheme. The total charge to the defined contribution scheme amounted to £209,023 (2020: £211,085). There were no contributions either pre-paid or outstanding at the year-end or the previous year end.

19. Related party transactions

At the year-end a balance of £4,000 (2020: £4,000) was owed to Groundwork Trade Association Limited, a wholly owned subsidiary of the company.

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

	2021	2020
	£	£
Net income for the reporting period (as per the SOFA)	2,104,783	846,765
ADJUSTED FOR:		
Net loss /(gains) on investments	(180,946)	95,847
Disposal of fixed asset investments	-	(82,500)
Depreciation charge	7,965	11,294
Investment income	(30,289)	(128,324)
(Increase) in debtors	1,809,127	(6,540,861)
Increase in creditors	(2,088,195)	5,600,541
Increase in provisions	-	(65,944)
Net cash provided by operating activities	1,622,445	(263,182)

21. Grants payable

All grants payable relate to institutional grants paid to Groundwork Trusts, delivery partners and community groups. The detailed breakdown of all grant payments is available on request from the charity's principal address.

22. Acknowledgements

Groundwork UK would like to thank all its funders. In particular, substantial major contributions were received from the following organisations.

	£
Avison Young	£13,385
Cadent Foundation	£750,612
CAST	£17,162
City & Guilds	£10,000
Comic Relief Community Fund (England)	£1,213,755
Coop Foundation	£34,995
DIAGEO	£110,000
Education & Skills Funding Agency	£1,383,250
Energy Saving Trust	£172,233
Greater London Authority	£3,292,776
HS2 Limited	£2,500,177
Jones Lang Lasalle Limited	£5,438
Locality	£960,736
Ministry for Housing, Communities and Local Government	£2,672,859
NHS Property Services	£143,774
One Stop Stores	£240,319
Royal Society of Wildlife Trusts	£103,782
Tesco PLC	£8,094,208
The National Lottery Community Fund	£931,205
The National Lottery Heritage Fund	£817,412
Veolia	£20,000

23. Financial Instruments

	2021	2020
	£	£

Groundwork UK's financial instruments may be analysed as follows:

FINANCIAL ASSETS

Financial assets measured at fair value through profit and loss:

Investment property	-	1,110,000
Investments	1,545,552	874,606
	1,545,552	1,984,606

Financial assets measured at fair value through profit or loss comprise fixed asset investments in a trading portfolio of listed company shares.



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Auditors

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Investment Managers

Rathbone Investment Management

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Property Consultants

Savills

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Solicitors

Anthony Collins Solicitors LLP

134 Edmund Street
Birmingham
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The Board of Trustees

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

Appointed trustees	First appointed	Last appointed	Retired/resigned
Tony Berry	October 2019	AGM 2020	
John Bland	March 2018	AGM 2018	Resigned December 2020
Stuart Bonham	December 2019	AGM 2020	
Ian Brown	March 2016	AGM 2019	Resigned September 2020
Wendy Golland	September 2014	AGM 2020	
Jeff Greenidge	March 2019	AGM 2019	
Rowena Hall	March 2019	AGM 2019	Resigned January 2021
Mike Master	September 2008	AGM 2020	Resigned September 2021
Antony Nelson	March 2019	AGM 2019	
Nigel Reader	July 2021		
Neville Reyner	September 2019		Resigned August 2020
Paul Roots	March 2019	AGM 2019	
Anne-Marie Simpson	December 2019	AGM 2020	
Alan Smith	June 2014	AGM 2020	
Andrew Thurston	January 2021		
Helen Wright	March 2019	AGM 2019	Resigned March 2021
Co-opted trustees			
Faiza Amin	September 2019	AGM 2019	
Kate Culverhouse	December 2013	AGM 2020	
Graham Hartley (Chair)	August 2015	AGM 2018	
Geoff Howsego	June 2012	AGM 2018	Resigned September 2021
Mike Ormerod	June 2018	AGM 2018	
Jack White	September 2019	AGM 2019	

Company Secretary

Paul Viles

Committees of the Board

Chairs' Committee	Chair – Graham Hartley
Federation Executive Team	Chair – Mike Ormerod
Groundwork UK Committee	Chair - Geoff Howsego
Audit Committee	Chair – Stuart Bonham

Chief Executive

Graham Duxbury



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LinkedIn: Groundwork

Charity registration number: 291558

Company registration number: 1900511

Groundwork UK is the operating name of the Federation of Groundwork Trusts, a company limited by guarantee.
