

GROUNDWORK EAST

England & Wales · Charity number 293141

Details

Other names	THE HERTFORDSHIRE GROUNDWORK TRUST, GROUNDWORK HERTFORDSHIRE
Status	Registered
Legal form	Charitable company
Company number	01944186
Registered	1985-12-02
Register	View on the Charity Commission register

Contact

Address	Groundwork East Hertford Road Hatfield Hertfordshire AL9 5PE
Phone	01707260129
Email	hertfordshire@groundwork.org.uk
Website	www.groundwork.org.uk/east

Activities

Objects: THE OBJECTS OF THE COMPANY ARE: 4.1 TO PROMOTE THE CONSERVATION, PROTECTION AND IMPROVEMENT OF THE PHYSICAL, NATURAL AND SOCIAL ENVIRONMENT IN THE AREA;4.2 TO PROVIDE FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR RECREATION AND LEISURE TIME OCCUPATION WITH THE OBJECTIVE OF IMPROVING THE CONDITIONS OF LIFE FOR THOSE LIVING IN OR VISITING THE AREA;4.3 TO ADVANCE PUBLIC EDUCATION IN ENVIRONMENTAL MATTERS AND OTHER WAYS OF BETTER CONSERVING, PROTECTING AND IMPROVING THE SAME WHERESOEVER;4.4 TO PROVIDE EDUCATION, ADVICE AND SUPPORT, INCLUDING BUT NOT LIMITED TO THE PROVISION OF YOUTH SUPPORT SERVICES, PARTICULARLY IN THE AREAS OF PERSONAL DEVELOPMENT AND EMPLOYABILITY, TO THOSE FACING DIFFICULTIES IN ACCESSING MAINSTREAM EDUCATION OR IN OBTAINING RELEVANT TRAINING OR QUALIFICATIONS, OR WHO ARE IN ECONOMIC AND OTHER KINDS OF NEED;4.5 TO PROMOTE FOR THE PUBLIC BENEFIT, URBAN OR RURAL REGENERATION IN AREAS OF SOCIAL AND ECONOMIC DEPRIVATION WITHIN THE AREA BY ALL OR ANY OF THE FOLLOWING MEANS:4.5.1 THE RELIEF OF POVERTY IN SUCH WAYS AS MAY BE THOUGHT FIT; 4.5.2 THE RELIEF OF UNEMPLOYMENT IN SUCH WAYS AS MAY BE THOUGHT FIT INCLUDING ASSISTANCE TO FIND EMPLOYMENT;4.5.3 THE ADVANCEMENT OF EDUCATION, TRAINING OR RE-TRAINING PARTICULARLY AMONGST UNEMPLOYED PEOPLE AND PROVIDING UNEMPLOYED PEOPLE WITH WORK EXPERIENCE; 4.5.4 THE PROVISION OF FINANCIAL ASSISTANCE, TECHNICAL ASSISTANCE, BUSINESS ADVICE OR CONSULTANCY IN ORDER TO PROVIDE TRAINING AND EMPLOYMENT OPPORTUNITIES FOR UNEMPLOYED PEOPLE IN CASES OF FINANCIAL OR OTHER CHARITABLE NEED THROUGH HELP:I. IN SETTING UP THEIR OWN BUSINESSES; OR II. TO EXISTING BUSINESSES; 4.5.5 THE CREATION OF TRAINING AND EMPLOYMENT OPPORTUNITIES BY THE PROVISION OF WORK SPACE, BUILDINGS AND/OR LAND FOR USE ON FAVOURABLE TERMS;4.5.6 THE MAINTENANCE, IMPROVEMENT OR PROVISION OF PUBLIC AMENITIES, INCLUDING THE PROVISION OF ROUTEWAYS SUCH AS FOOTPATHS AND CYCLEWAYS AND ACCESS TO MAIN TRANSPORT ROUTES;4.5.7 THE PRESERVATION OF BUILDINGS OR SITES OF HISTORIC OR ARCHITECTURAL IMPORTANCE;4.5.8 THE PROVISION OR ASSISTANCE IN THE PROVISION OF RECREATIONAL FACILITIES FOR THE PUBLIC AT LARGE AND/OR THOSE WHO BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABLEMENT, POVERTY OR SOCIAL AND ECONOMIC CIRCUMSTANCES, HAVE NEED OF SUCH FACILITIES;4.5.9 THE PROTECTION OR CONSERVATION OF THE ENVIRONMENT, INCLUDING THE RECLAMATION OF DERELICT LAND FOR USE AS OPEN SPACE;4.5.10 THE PROVISION OF PUBLIC HEALTH FACILITIES AND CHILDCARE, INCLUDING THE PROVISION OF SCHEMES TO PROMOTE HEALTHIER LIFESTYLES AND CRÈCHE FACILITIES TO INCREASE THE ABILITY OF PARENTS TO TAKE UP EMPLOYMENT;4.5.11 THE PROMOTION OF PUBLIC SAFETY AND PREVENTION OF CRIME, INCLUDING THE ALLEVIATION OF ANTI-SOCIAL BEHAVIOUR;4.5.12 SUCH OTHER MEANS AS MAY FROM TIME TO TIME BE DETERMINED SUBJECT TO THE PRIOR WRITTEN CONSENT OF THE CHARITY COMMISSIONERS FOR ENGLAND AND WALES. 4.6 TO PROMOTE SUSTAINABLE DEVELOPMENT FOR THE BENEFIT OF THE PUBLIC WITHIN THE AREA BY:4.6.1 THE PRESERVATION, CONSERVATION AND THE PROTECTION OF THE ENVIRONMENT AND THE PRUDENT USE OF RESOURCES;4.6.2 THE RELIEF OF POVERTY AND THE IMPROVEMENT OF THE CONDITIONS OF LIFE IN SOCIALLY AND DISADVANTAGED COMMUNITIES;4.6.3 THE PROMOTION OF SUSTAINABLE MEANS OF ACHIEVING ECONOMIC GROWTH AND REGENERATION.4.7 TO ADVANCE THE EDUCATION OF THE PUBLIC IN SUBJECTS RELATING TO SUSTAINABLE DEVELOPMENT AND THE PROTECTION, ENHANCEMENT AND REHABILITATION OF THE ENVIRONMENT AND TO PROMOTE STUDY AND RESEARCH IN SUCH SUBJECTS PROVIDED THAT THE USEFUL RESULTS OF SUCH STUDY ARE DISSEMINATED TO THE PUBLIC AT LARGE. 4.8 SUSTAINABLE DEVELOPMENT IN THIS ARTICLE ABOVE MEANS DEVELOPMENT WHICH MEETS THE NEEDS OF THE PRESENT WITHOUT COMPROMISING THE

ABILITY OF FUTURE GENERATIONS TO MEET THEIR OWN NEEDS.4.9 TO PROMOTE THE EFFICIENCY AND EFFECTIVENESS OF CHARITIES IN THE DIRECT FURTHERANCE OF THEIR OBJECTS (OR ANY ONE OF THEM) BY THE PROVISION OF INFORMATION, ADVICE AND ASSISTANCE IN THE ESTABLISHMENT, ADMINISTRATION AND MANAGEMENT OF SUCH CHARITIES INCLUDING ASSISTANCE OF ALL TYPES IN CONNECTION WITH THE RAISING AND DISTRIBUTION OF FUNDS.4.10 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 ANYWHERE IN THE AREA.

Activities: Groundwork is an environmental charity that works alongside the whole community to transform places and livesBuilding of sustainable communities through joint environmental action.Environmental Regeneration throughout Hertfordshire, Luton and Bedfordshire, Cambridgeshire & Peterborough, Suffolk, Essex, Norfolk and surrounding areas.

Classification

- **How:** Provides Services
- **What:** Education/training, Amateur Sport, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** THE COUNTIES OF HERTFORDSHIRE, BEDFORDSHIRE, CAMBRIDGESHIRE, SUFFOLK, ESSEX, NORFOLK AND THE SURROUNDING AREA
- Bedford
- Cambridgeshire
- Central Bedfordshire
- Essex
- Hertfordshire
- Luton
- Norfolk
- Suffolk

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,546,906	£2,563,269	£950,393	51
2024-03-31	£2,559,498	£2,574,867	£966,756	50
2023-03-31	£2,949,891	£2,545,693	£982,125	55
2022-03-31	£2,448,417	£2,366,577	£577,927	50
2021-03-31	£1,951,913	£2,065,024	£496,087	47

Trustees

Name	Role	Appointed
Annabel Flint		2025-03-25
Elisabeth George		2022-09-28
Joanna Mary Smith		2025-12-10
Kevin Jones		2025-03-25
Lee Jones		2025-09-24
Mark Roger Hubbocks		2020-04-23
Martin Hockaday		2025-09-24
Philip John Bibby		2019-01-23
Richard Charles Powell		2019-06-27
Temiloluwa Olubukola Awofala		2021-07-07

GROUNDWORK EAST

England & Wales - Charity number 293141

Accounts

Company number: 01944186
Charity number: 293141

GROUNDWORK EAST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

GROUNDWORK EAST
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TRUSTEES' REPORT AND FINANCIAL STATEMENTS

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY
FOR THE YEAR ENDED 31 MARCH 2025

Directors, who are also Trustees	Patrick Hughes, Chair Phillip Bibby Richard Powell Julie Smith Mark Hubbocks Lisa Goldsmith Temi Awofala Peter Duffy Ruth Thomson Elisabeth George John Chesters Julie Smith (Resigned 24 February 2025) Peter Duffy (Resigned 31 March 2025) Ruth Thomson (Resigned 6 November 2024) Kevin Jones (appointed 25 March 2025) Annabel Flint (appointed 25 March 2025)
Company Registered Number	01944186
Charity Registered Number	293141
Registered Office	Mill Green, Hatfield, Hertfordshire, AL9 5PE
Company Secretary	Mark Hubbocks
Chief Executive	Carolyn Reid
Independent Auditors	Mercer & Hole LLP, 72 London Road, St Albans, Hertfordshire, AL1 1NS
Bankers	National Westminster Bank Plc, 104 Fore Street, Hertford, Hertfordshire, SG14 1YY Aldermore Bank Plc, 1 st Floor, Block B, Western House, Lynch Wood, Peterborough, PE2 6FZ The Charity Bank Ltd, Fosse House, 182 High Street, Tonbridge, TN9 1BE CCLA Fund Managers Ltd, Senator House, 85 Queen Victoria Street, London, EC4V 4ET Nationwide Building Society, Nationwide House, Pipers Way, Swindon, SN38 1NW
Solicitors	Mishcon de Reya, 4 Station Square, Cambridge, CB1 2GE

GROUNDWORK EAST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Groundwork East (the company) for the year ended 31 March 2025. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2023).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

Mission

Groundwork East is a registered charity (no. 293141) and a company limited by guarantee (no. 1944186). It is an independent organisation governed by a Board of Trustees and is a member of the national Federation of Groundwork Trusts.

Our mission is to create a fair and green future in which people, places and nature thrive. In order that we can achieve a 'just transition' to net-zero and help nature recover in a way that tackles inequality and provides a springboard for better work and healthier, happier lives we focus on delivering impact for:

- People – delivering improved prospects, increased wellbeing and more equal opportunity to choose greener ways of living
- Places – developing stronger communities, more responsible business, better social and green infrastructure
- Planet – supporting more people taking environmental action, reduce waste and carbon, and increased biodiversity.

We operate across the 6 counties of the East of England (Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk), partnering with residents, the public and private sectors and other non-profits to deliver wide ranging projects and services.

Established in 1985 our original approach still holds true today: to respond to local needs by putting the right tools in people's hands, engaging with all stakeholders and addressing multiple issues with the same investment.

Organisational history

The first Groundwork initiative was established in St Helens on the edge of Merseyside in 1982 as a radical experiment to bring together communities, businesses and government in a joint effort to improve the quality of life and promote sustainable development in places that had become run-down and neglected.

Since then Groundwork has grown into a national network covering England, Wales, Northern Ireland, and working through partners in Scotland. The Federation of Groundwork Trusts currently comprises 17 independent trusts which collectively deliver projects and programmes to the value of around £65 million per year.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

Groundwork East is one of the longest established Groundwork trusts, established in 1985 as The Hertfordshire Groundwork Trust and gradually expanding to cover the whole East of England but remaining committed to local delivery through teams operating in Hertfordshire, Bedfordshire, Cambridgeshire, Essex, Suffolk and Norfolk. In 2015 the Trust changed its legal name to Groundwork East to reflect its wider geography, however it also continues to operate under local brands.

The original vision for Groundwork – start local, put the right tools in people’s hands, engage with everyone who has a stake in a place and address as many issues as possible with the same investment – holds true today. Groundwork remains committed to *changing places changing lives*: practical action to build stronger communities with better local environments, to tackle climate change and combat fuel poverty, to improve skills and get people back into work, and to inspire the next generation of community champions and green leaders.

We achieve our vision by working together with passionate individuals, proactive public services and innovative parts of the private sector.

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.

We are committed to the principles of sustainable development and the Groundwork Federation aims to halve its collective carbon footprint by 2035 and achieve net zero carbon emissions before 2050.

The way we go about our work is informed by our commitment to ‘the Groundwork approach’:

- 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.

Activities for achieving objectives

Groundwork is a federation of independent charities, called Groundwork Trusts, working under a shared federation strategy. Groundwork East benefits from the national network through the Federation’s ability to build partnerships, fundraise, raise the profile of the Groundwork movement and advocate for change/our beneficiaries with central Government.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

Impact

Building the capacity and resilience of communities, businesses and landscapes is vital if we are to tackle hardship, transition to net-zero and help nature recover in a way that reduces inequality and leads to better work and healthier, happier lives. The impact data we capture helps us understand the scale and breadth of our activity and the change it brings about. We are focused on connecting people with each other, with opportunity and with nature, and always try to deliver social, economic and environmental outcomes in an integrated way, generating even greater impact in the places that need it most.

The national Groundwork federation 2028 strategy sets out to help;

- More people overcome hardship and isolation
- Build the green economy
- Those who most need it to connect with nature
- More people and places respond and adapt to climate change

Groundwork East aims to achieve the following:

- Improve health, wellbeing and confidence for individuals through nature connection
- Increase access to green sector jobs and improve people's employability outcomes
- Improve human and environmental health across communities
- Adapt landscapes, creating accessible and sustainable green spaces
- Support the transition to Net Zero
- Raise awareness of the importance of understanding our environmental impact

Groundwork East collects a number of impact indicators each year to build a picture of activity. This information feeds into a federation-wide impact measurement framework. The information is collected under three areas of individual, community and environmental resilience which maps onto our operational themes of green communities, business and landscape. Groundwork East's achievements in 2024/25 include:

- Delivered 135 distinct projects (2023/24 - 139);
- Delivered activities on 304 sites (2023/24 - 166);
- Supported 147 people into education, training or employment (2023/24 - 455);
- Supported 979 organisations (2023/24 - 276);
- Supported 479 businesses (2023/24 - 491);
- Helped 3,293 people to make greener choices (2023/24 - 1,969);
- Improved 16,650 m² of land (2023/24 - 81,000 m²);
- Identified cumulative potential savings of 12,425 tCO₂e and £2,441,861 for individuals, businesses and organisations (2023/24 - 5,328 tCO₂e and £668,171)

Main activities undertaken to further the Charity's purposes for public benefit

Groundwork East operates within the Objects described within the Memorandum and Articles of Association, which outline in detail the type of public benefit sought. Public benefit has been achieved in all thematic areas described within the activity review for the current year. In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

Volunteers

The Trust has worked alongside 426 volunteers. This is the number of people that give their time freely to support Groundwork East's activities as a volunteer. The Directors would like to record their thanks to the many volunteers who supported / engaged with Trust activities during the year.

ACHIEVEMENTS AND PERFORMANCE

Review of Activities

Groundwork East is a successful, highly regarded and mature Trust which was established in 1985. Every Groundwork Trust is rooted in the area it serves. Each Trust's programmes and services are tailored to the needs of partners and communities in their locality. When all that local activity is added together, it becomes a major national force for change. Groundwork Hertfordshire, Groundwork Luton & Bedfordshire, Groundwork Cambridgeshire & Peterborough, Groundwork Essex, Groundwork Suffolk and Groundwork Norfolk are Groundwork East's locally branded operations in those areas. The year 2024/25 once again saw the Trust's inspirational team deliver a programme of impactful, high profile projects across its operational area.

Project delivery in detail

Impact people - Improved prospects, increased wellbeing and more equal opportunity, to choose greener ways of living

Our Forward Trust programme has grown this year as we secured regular community sites on which to deliver the sessions. This project supports ex-offenders on a 6-week training programme for people who are looking for skills in landscaping, construction, horticulture and conservation.

Small groups of learners, supervised by qualified Groundwork staff, carry out practical landscape or conservation improvement projects. The landscape improvement projects benefit the local community on a public site that is used by local residents. Work typically includes creation of raised planting beds, minor fencing and surfacing works, and clearance of vegetation and of small structures. Having regular sites provides more consistency for the Forward Trust participants supporting attendance and ensures a lasting physical impact on the sites themselves and for those that use them.

Our Green Recovery programme delivered in partnership with Huntingdon District Council continues to flourish, upskilling adults in green sector skills while also supporting nature recovery in parks and open spaces. Through this opportunity we have been able to develop projects new to the area including River Wardens and Citizen Science which will be delivered next year.

This year we developed an exciting new youth project called Rooted in Nature. The project supports young people ages 12- 18 (up to 25 with additional needs) with low level mental health issues to connect with nature and the outdoors. The project is 3 hours a week for 3 weeks and consists of outdoor activities such as mindful walks, natural art and growing activities. The aim of the programme is to support those who do not meet the thresholds of mental health services and before they reach crisis point, providing them with tools and strategies to improve their mental wellbeing and the confidence to connect with their local green spaces after the project has come to an end.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

This year we drew our youth services contract with Central Bedfordshire Council to a close after 15 amazing years to concentrate on our nature based youth projects including Uplifting Potential, Green Sparks and Rooted in Nature.

Impact place - Stronger communities, more responsible business, better social and green infrastructure, improved biodiversity

Our Memorial Park 'Green Hub' has continued to flourish in 2024-25. With multi-year funding confirmed – it has enabled multiple weekly volunteer growing sessions to be led for the first time, alongside regular courses aimed for all aged the protect the environment, and promote healthy living. Furthermore, it has enabled growth with home schooled groups.

The Trust's continued relationship with Hertfordshire County Council has enabled the continued delivery of our Hertfordshire 'Green Aiders' programme, working with vulnerable residents across Hertfordshire (with particular focus on those awaiting discharge from hospital or at risk of readmission to hospital) and volunteers to complete one off garden clearances, to enable safety and enjoyment of green spaces once again for many residents.

The Trust has continued to grow our 'VegFest' programme across Cambridgeshire this year, developing growing areas for 8 schools within the St. Neots area and beginning weekly growing sessions with the students and teacher to culminate in a summer 'VegFest' event.

Impact planet - More people taking environmental action, reduced waste and carbon, increased biodiversity

The Trust's long-standing partnership with North Herts Council to deliver a range of exciting outside space improvement projects across the local authority continued this year.

Our Landscape team have designed play area improvements at the Baldock Recreation Ground and a new outdoor gym at Avenue Park, Baldock and play improvements at Purwell Park, Hitchin.

Two new Landscape community consultation and design projects for green space areas in Deeping St James Parish Council and Northaw & Cuffley Parish councils have been progressed.

Our Sustainable Business Services carbon management offering has continued to grow and develop during this period. In particular, we have seen growth in our independent and impartial net zero support with several new clients and repeat work for existing clients. . We have also continued to deliver environmental and certified Carbon Literacy training to SMEs, and local authorities across the region.

To further embed messages about water efficiency, Groundwork continued to work with Northumbrian Water and Waterwise to develop an accredited Water Literacy programme, modelled on experience of delivering carbon literacy training. The initiative, funded by Ofwat's Water Breakthrough Challenge, aims to help 2,000 people become 'water literate' through learning about water scarcity, the value of water as a resource and the link with climate change. Courses are now available to book and we supported 100 learners so far to be accredited during 24-25. See <https://waterliteracy.uk/>.

Strategic objectives

The Strategic Framework 2023 – 2035 provides the context for the business plan and lays the foundations for the direction of travel. The strategic framework provides a valuable roadmap for the trust to navigate challenges, set clear objectives, and make informed decisions, delivering a lasting and positive impact on both

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

communities and nature. It enables us to undertake a systemic approach to identifying and capitalising on opportunities, ensuring alignment with long-term goals and maximizing success.

Our success and sustainability are based on our ability to deliver a range of community and environmental outcomes, whilst delivering value for money services. We recognise that this is a considerable challenge in a very competitive market with shrinking public sector funds, that to grow our reach and impact, we must focus on generating more services and diversifying our income. In doing so, we can reach more people, grow our reserves to build resilience, and ultimately be more ambitious in rising to meet the growing and interconnected societal and environmental challenges our communities face.

We recognise that the delivery of our services can have an impact on the climate crisis and we are committed to managing and reducing the emissions and wider environmental impacts arising from our own activities. Groundwork East has therefore committed to reach Net Zero before the government's current target of 2050.

We want to be able to demonstrate that over time we have been able to shift the dial and link the work we do to delivering long term positive impact for nature and communities. In order to be able to do this we need to be a financially resilient organisation that is known and trusted in our communities for our skills, knowledge, professionalism and integrity. The trust wants to be able to effectively assess and leverage opportunities and adapt to changing market dynamics. This proactive approach will have fostered innovation, collaboration, will have driven growth and positioned the trust for long-term success/impact in a rapidly evolving landscape.

The Trust set out the following organisational objectives in its Business Plans:

- **Strengthening our financial position**
Over the next three years, we plan to increase Trust income and outturn
- **Clarity of operational focus**
Our project delivery will be carried out by three operational teams; Communities, Business and Landscapes. Each team has determined Priority Service Areas (PSAs) for the next three years that deliver against each of our Strategic Framework goals.
- **Consolidating our current income generation position**
An Income Generation Plan has been developed setting out key activities and areas of focus in order to achieve our income targets. This will continue to be monitored, reviewed and reported on.
- **Creating an attractive place to work for our people**
We will review capabilities to reflect the type of workforce and culture we want to create: courageous/creative/innovative/agile/good listeners and connected to communities!
- **Enhancing leadership capacity**
We strive to provide management and leadership training opportunities to all staff members in a management role and ensure that our organisation has the necessary capacity to lead effectively and with confidence.
- **Increasing the profile of the organisation**
We aim to strengthen our brand reputation and promote positive reactions to our non-profit organisation. This will be measured and reported through the Communications KPIs.
- **Ensuring that all of our work is evidence-based and driven by need and demand**
We will collect and report on impact data and embed evaluation in all of our project activity.
- **Better understanding of our partnerships**
We will continue to build partnerships that help us more effectively reach our target audiences and increase the impact of our initiatives in the community.

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FOR THE YEAR ENDED 31 MARCH 2025

- **Improving our Management Information Systems (MIS)**
We continue with the transition to and enhancement of our cloud-based systems with a focus on secure and efficient management of data.

FINANCIAL REVIEW

Review of financial activities

The result for the year is shown in the statement of financial activities on page 17 as a net deficit of £16,363. (2023/24 net deficit of £15,369). We consider this to be a satisfactory outcome driven by the decision to invest unrestricted reserves in updating our information technology platforms.

Reserves Policy

The Trustees have agreed a reserves policy whereby the charity should aim to hold sufficient reserves (unrestricted funds not represented by fixed assets or designated funds held to cover future planned expenditure) to meet estimated closure costs. This is currently calculated at £450,563.

Actual total reserves were £950,393, of which £349,584 were restricted reserves not available for the general purposes of the Trust. Of the remaining £600,809 unrestricted reserves, £10,016 has been designated by the Trustees for specific purposes. The unrestricted general funds were therefore £590,793, of which £49,051 is represented by fixed assets.

The Trust's available reserves were therefore £541,742. The Trust has remained in this stable position in recent years and any small excess or shortage in available reserves has only been short term.

The Board has reviewed the designated funds and is satisfied that they are consistent with the needs of the Trust. This policy is reviewed annually by the Board through the Finance sub-committee.

Investment Policy and Performance

The Trustee's policy is to retain any short-term surplus funds, including designated and restricted funds, in interest-bearing bank accounts. The Trust is mindful of the Financial Services Compensation Scheme limit when investing outside of our core banking relationship. Investment performance was satisfactory.

Fundraising

Groundwork East has not traditionally engaged in public fundraising. During 2024/25 the Trust did not engage any external, professional fundraisers. Projects are funded through formal bids, tenders and contracts. Donations totalled £24,493 in 2024/25 which included a gift in kind of £24,000 by way of waived rent.

Funding sources

The Directors would like to thank the many organisations who have supported the Trust's work. Groundwork East received funding for projects from Groundwork UK, other charities, local authorities, central government, private sector companies, housing associations, town and parish councils and schools throughout the East of England.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

We are thankful to all of our funders, partners and supporters that made 2024/25 so successful. A selection of these are as follows: Martin Laing Foundation, Suffolk County Council, The Belstead Ganzoni Charitable Settlement, Innovate UK, Clan Trust, Charles S French Charitable Trust, The Francis Winham Foundation, The Scarfe Charitable Trust, National Highways Social Value Fund, Huntingdonshire District Council, Rural Payments Agency Water Restoration Fund, Northaw and Cuffley Parish Council, Cambridgeshire Skills, North Hertfordshire Council, Anglian Water, Essex County Council, East Suffolk Council, Wellfield Trust, the various Community Foundations across our geography, Urban and Civic, Mills and Reeves and many others.

PLANS FOR FUTURE PERIODS

As an organisation delivering in local communities but with regional / national scale and strategic stake-holder links, Groundwork is well placed for further delivery of its charitable mission. In order to respond to future opportunities Groundwork East will be required to change and improve in three ways:

- By improving our ability to evidence the impact of our work, using quantitative and qualitative data.
- By consolidating our structures and improving our systems so that we maximise the percentage of our income spent on front-line delivery, enhancing cash-flow, maximising our development resource and building the scale and specialisms needed to provide high quality services in more communities.
- By seeking out opportunities to share services, specialisms, systems and procurement around the Groundwork Federation – both to increase income generation and increase social value creation.

Summary

2024/25 was a successful year for Groundwork East. Efforts to diversify our work are continuing to show success and we are looking forward to benefitting from Groundwork UK's work to improve fundraising and impact measurement across the Federation.

From February 2024, the Chief Executive of Groundwork East, Carolyn Reid, has led the development of a Strategic Framework for the Trust, aligning it to the work of the Federation, setting our local priorities for the future and establishing longer term impact measurements.

Our Operational Action Plans provide clear direction for low risk, organic growth as each team is looking to build on its success to date and extend the breadth of its service offering across our region.

There is robust governance in place, and a sound framework of rules, policies and practices that guide decision-making, ensure accountability and promote transparency.

The East of England has diverse landscapes and faces environmental challenges such as coastal erosion, water scarcity and drought and, conversely, flooding. It has vibrant cities with renowned universities and technology sectors along with strong agricultural industry. However, economic disparities and social challenges persist, exasperated by the cost of living crisis. Overall, the area offers natural beauty, economic opportunities and social complexities. As such, our plans for the future are based on continuing to strengthen our relationships in the public sector, while also looking more actively for opportunities within the private sector. By exploring new avenues and collaborations, we are looking to open up opportunities to build more sustainable communities and support a just transition to Net Zero.

We have been a valued community asset since 1985 and are redoubling our efforts in 2024/25 to meet increasing needs from all sections of society.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The company is registered as a charitable company limited by guarantee. The company is constituted under a Memorandum of Association and is a registered charity (number 293141).

Reference and administrative details for the Charity are provided on page 1 of the financial statements.

Method of Appointment and Election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited by advertisement and contacts with partner organisations.

Trustees serve for a period of three years from the date of their appointment. On expiration of their term of office they will be eligible for reappointment for a further three-year term (up to a maximum of three consecutive terms) by majority decision of the remaining Trustees. If a Trustee has served three consecutive terms they must retire from office at the end of their third term of office and will only be eligible for reappointment if at least one year has elapsed since their retirement. The Trustees have the power by a 75 per cent majority of those present and entitled to vote at the meeting to extend a Trustee's period of office (and shall in their absolute discretion decide the period of extension) and to waive the requirement for one year to elapse before a Trustee may be eligible for reappointment.

New directors are provided with structured induction training at the Trust offices. Other training needs are identified on an ongoing basis.

Professional Indemnity insurance is purchased at a cost to the charity to protect the charity and its Trustees.

All Trustees give of their time freely and no director received remuneration in the year. Details of Trustees' expenses are disclosed in note 10 to the accounts.

Organisational Structure and Decision Making

The Directors meet up to four times per year to review strategy and performance and to set operating plans and budgets. Two sub-committees also meet regularly to deal with functions delegated by the Board of Directors: the Finance, Audit and Risk sub-committee; and the Business Development sub-committee.

The day to day running of the Trust is managed by the Chief Executive, supported by the Finance Director and Operations & Development Director, who refer to the Board for guidance as and when required.

The Trust operates a salary scale. The pay of all staff is reviewed annually. The Finance, Audit and Risk sub-committee agrees the terms of the review on behalf of the Board. The Chief Executive's pay is reviewed by the Chair in liaison with a pay review committee. The pay of the other members of the Leadership Team (Finance Director, Operations & Development Director and HR Manager) is agreed by the Finance, Audit and Risk sub-committee following recommendations from the Chief Executive.

Employees are consulted in a variety of ways through the following structures: a Staff Consultation group, monthly one to one meetings, regular team meetings, an annual staff survey and an annual staff conference. Through these structures, consultation around Trust development and policy changes is undertaken allowing

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

all staff an active role in formulating the Trust's future. The compilation of the Trust business plans are contributed to by a wide range of staff.

Related Party Relationships

Details of related party transactions are given in note 17 in the financial statements.

Risk Management

The Finance, Audit and Risk sub-committee reviews a formal risk register at each meeting as a standard agenda item. Risks are scored from 1 to 5 in terms of "likelihood" and from 1 to 5 in terms of "impact". The two scores are then multiplied to achieve an overall score. The Finance, Audit and Risk sub-committee reviews progress against agreed actions, monitors changes in internal / external circumstances and is vigilant in terms of new risks. The Chair of the sub-committee reports any significant risk issues at Board meetings. The other sub-committee and any working groups provide input on the risks relevant to them.

Risk assessment of projects takes place under the management of leadership team, led by the Operations & Development Managers. A project risk register captures project risks and mitigating actions. A formal checklist is used on site for all projects and risk assessments accompany all tenders. Projects considered to be higher risk are referred to the Leadership Team and reported to the Finance, Audit and Risk sub-committee under a standing agenda item.

The Chief Executive is expected to report to the Board on any significant new or increased risk that falls outside the parameters of these processes. The Board is satisfied that systems are in place to manage the Trust's exposure to risk.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

Trustees' responsibilities statement

The Trustees (who are also directors of Groundwork East for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- The Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on 18th July 2025 and signed on their behalf by:



Patrick Hughes, Chair

GROUNDWORK EAST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST
FOR THE YEAR ENDED 31 MARCH 2025**

Opinion

We have audited the financial statements of Groundwork East (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

GROUNDWORK EAST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2025

Other information

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirements to prepare a Strategic Report.

GROUNDWORK EAST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2025

Responsibilities of Trustees

As explained more fully in the Trustees' 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to breaches of GDPR and health & safety regulations, and we considered the extent to which non-compliance may have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2006.
- We evaluated the Trustees' incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate income or understate expenditure, and management bias in accounting estimates.
- Audit procedures performed by the engagement team included:
 - discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
 - evaluation of the operating effectiveness of management's controls designed to prevent and detect irregularities;
 - review correspondence with the Charity Commission for evidence of breaches; and
 - identifying and testing journal entries.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

GROUNDWORK EAST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2025

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:
Jolene Upshall
27DC21325673435...

Jolene Upshall (Senior Statutory Auditor)

for and on behalf of

Mercer & Hole LLP
72 London Road
St Albans
Hertfordshire
AL1 1NS

14/08/2025

GROUNDWORK EAST (company number 01944186)**STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
for the year ended 31 March 2025**

		2025	2024		
	Notes	Unrestricted Fund £	Restricted Funds £	Total Funds £	Total Funds £
Income from					
Donations & Legacies	3	24,493	-	24,493	24,493
Charitable Activities	4	1,777,608	716,407	2,494,015	2,519,820
Investment Income	5	15,331	-	15,331	8,185
Other Income	6	13,067	-	13,067	7,000
Total Income		1,830,499	716,407	2,546,906	2,559,498
Expenditure on					
Charitable Activities	7	1,832,341	730,928	2,563,269	2,574,867
Total Expenditure		1,832,341	730,928	2,563,269	2,574,867
Net Operating Income Before Transfers		(1,842)	(14,521)	(16,363)	(15,369)
Transfers Between Funds	19	(2,665)	2,665	-	-
Net Movement in Funds		(4,507)	(11,856)	(16,363)	(15,369)
Reconciliation of Funds					
Total Funds Brought Forward		605,316	361,440	966,756	982,125
Total Funds Carried Forward		600,809	349,584	950,393	966,756

GROUNDWORK EAST (company number 01944186)**BALANCE SHEET**
at 31 March 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Tangible Assets	12		398,083		434,697
Current Assets					
Debtors	13	601,528		651,140	
Cash at bank		493,678		608,722	
		1,095,206		1,259,862	
Creditors					
Amounts falling due within one year	14	(512,897)		(702,804)	
Net Current Assets			582,309		557,058
Total Assets less Current Liabilities			980,393		991,756
Provisions for Liabilities	15		(30,000)		(25,000)
Net Assets			950,393		966,756
Funds					
Unrestricted funds			600,809		605,316
Restricted funds			349,584		361,440
Total Funds			950,393		966,756

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 18th July 2025 and signed on its behalf by:



Patrick Hughes - Chair of Trustees

GROUNDWORK EAST (company number 01944186)**CASH FLOW STATEMENT****for the year ended 31 March 2025**

	2025	2024
Cash flows from operating activities		
Cash (used in)/generated by operating activities 17	<u>(133,059)</u>	<u>65,023</u>
Net cash provided by (used in) operating activities	(133,059)	65,023
Cash flows from investing activities		
Investment income received	15,331	8,185
Proceeds from the sale of tangible fixed assets	11,985	2,000
Purchase of tangible fixed assets	<u>(9,301)</u>	<u>(66,090)</u>
Net cash provided by (used in) investing activities	<u>18,015</u>	<u>(55,905)</u>
Change in cash and cash equivalents in the reporting period	(115,044)	9,118
Cash and cash equivalents at the beginning of the reporting period	<u>608,722</u>	<u>599,604</u>
Cash and cash equivalents at the end of the reporting period	<u><u>493,678</u></u>	<u><u>608,722</u></u>

GROUNDWORK EAST (company number 01944186)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

1. Statutory Information

Groundwork East is a private company limited by guarantee. The charity's registered company number, registered charity number, registered office and the nature of its activities can be found in the Trustees Report.

The presentation currency of the financial statements is Pounds Sterling (£). The level of rounding in the accounts is to the nearest pound.

2. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2023)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Critical accounting judgements and key sources of estimation uncertainty

No critical accounting judgements have been made in the process of applying the accounting policies below.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Future forecasts and business plans have been considered in coming to this conclusion.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised and refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Project funding which is received in the form of grants is recognised as restricted income in the period in which it is received, unless it is subject to conditions in which case it is deferred until the conditions are met.

Project funding which is received in the form of contracts is recognised as unrestricted income. Where contract income has been received but the related services have not been performed by the year end, the balance is carried forward as deferred income.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

Expenditure

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

GROUNDWORK EAST (company number 01944186)**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 31 March 2025**2. Accounting policies - continued****Tangible fixed assets**

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Cost includes costs directly attributable to making the asset capable of operating as intended. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:
estimated useful life.

Leasehold building:	over the term of the lease
Motor vehicles	25.0% straight line
Fixtures and fittings	20.0% straight line
Computer equipment	33.3% straight line

Fixed Asset Investments

Investments are stated at fair value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations throughout the year. All gains and losses are calculated at the difference between the market value at the balance sheet date and the opening market value (or purchase value if the date is later).

Taxation

The charity is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

Fund Accounting

General funds are unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. The cost of raising and administering such funds are charged against the specific fund.

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

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Pensions

The charity operates to a defined contribution pension plan on behalf of all qualifying staff to Groundwork Easts Aegon pension scheme. The pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those if the charity in an independently administered fund.

3. Donations & Legacies

	Unrestricted Funds £	2025 Restricted Funds £	Total Funds £	2024 Total Funds £
Donations	<u>24,493</u>	<u>-</u>	<u>24,493</u>	<u>£ 24,493</u>

Donations include a gift in kind of £24,000 (2024 - £24,000) by way of rent waived during the year.

GROUNDWORK EAST (company number 01944186)**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025****4. Income from Charitable Activities**

	2025	2025	2024	2024
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Central Government	20,493	7,500	27,993	198,484
Local Authorities	1,139,009	298,574	1,437,583	1,355,872
Education and Skills Funding Agency	67,764	9,942	77,706	104,221
Charitable Trusts and Foundations	110,036	133,992	244,028	234,167
Private Sector	199,407	34,863	234,270	225,289
Housing Associations	3,000	-	3,000	15,055
Groundwork UK	237,899	231,536	469,435	381,012
National Lottery	-	-	-	5,720
	<u>1,777,608</u>	<u>716,407</u>	<u>2,494,015</u>	<u>2,519,820</u>

5. Investment Income

	2025	2025	2024	2024
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Bank interest receivable	<u>15,331</u>	<u>-</u>	<u>15,331</u>	<u>8,185</u>

6. Other Income

	2025	2025	2024	2024
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Profit on disposal of tangible fixed assets	11,985	-	11,985	2,000
Sundry income	<u>1,082</u>	<u>-</u>	<u>1,082</u>	<u>5,000</u>
	<u>13,067</u>	<u>-</u>	<u>13,067</u>	<u>7,000</u>

7. Charitable Activities Costs

	2025	2024
	Total Funds £	Total Funds £
Direct project expenses	401,457	287,914
Project delivery staff cost	1,386,260	1,254,466
Support & Governance	<u>775,552</u>	<u>1,032,487</u>
	<u>2,563,269</u>	<u>2,574,867</u>

In 2025 the expenditure on charitable activities was £2,563,269 (2024: £2,574,867) of which £1,832,341 (2024: £1,943,989) was expenditure from unrestricted funds and £730,928 (2024: £630,878) was expenditure from restricted funds.

GROUNDWORK EAST (company number 01944186)**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025****8. Support Costs**

	Support office costs £	2025 Governance costs £	Total £	2024 Total £
Rent and rates	72,141	-	72,141	90,682
Communications	10,670	-	10,670	10,070
IT expenses	127,802	-	127,802	77,644
Training and recruitment	24,013	-	24,013	26,334
Marketing, publicity and advertising	16,511	-	16,511	13,894
Sundries	61,026	-	61,026	63,873
Insurances	35,404	-	35,404	30,380
Motor vehicle costs and mileage	20,356	-	20,356	25,610
Professional fees	63,064	9,180	72,244	64,370
Board Expenses	-	1,344	1,344	1,077
Wages and salaries	257,549	8,300	265,849	526,075
National Insurance	22,642	730	23,372	40,420
Pension Cost	14,431	465	14,896	29,480
Depreciation	29,924	-	29,924	32,578
	<u>755,533</u>	<u>20,019</u>	<u>775,552</u>	<u>1,032,487</u>

9. Auditor's Remuneration

	Unrestricted Funds £	2025 Restricted Funds £	Total Funds £	2024 Total Funds £
Auditor's Remuneration	<u>9,180</u>	<u>-</u>	<u>9,180</u>	<u>9,000</u>

10. Trustees' remuneration and benefits

None of the trustees (or any persons connected with them) received any remuneration during 2025 or 2024.

During the year ending 31 March 2025 2 trustees received £ 676 in reimbursement of expenses (2023 2 trustees received £283 reimbursement of expenses).

GROUNDWORK EAST (company number 01944186)

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025**

11. Staff costs	2025	2024
Wages and Salaries	1,444,219	1,571,706
Social security costs	126,965	120,760
Pension costs	80,925	88,075
	<u>1,652,109</u>	<u>1,780,541</u>

The average monthly number of employees during the period was as follows: 51

The average monthly full time equivalent (FTE) during the period was as follows:

	2025	2024
Charitable Activities	36	38
Support and governance	7	8
	<u>43</u>	<u>46</u>

The key management personnel of the charity comprise the Chief Executive, Finance Director and Operations & Development Director. The total employment benefits including employer pension contributions and employer national insurance contributions of key management personnel were £ 170,291 (2023 £235,687).

Employees with emoluments (emoluments include salaries and taxable benefits, but not employer pension costs) over £60,000 were as follows:

	2025	2024
£60,001 - £70,000	1	-
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pensions cost charge represents contributions payable by the charity to the fund and amounted to £80,925 (2024 - £88,075). Contributions totalling £ 11,735 (2024 £12,585) were payable to the fund at the balance sheet date and are included in creditors.

12. Tangible fixed assets

	Land and buildings £	Motor Vehicles £	Furniture, fittings and equipment £	2025	2024
Cost					
At 1 April 2024	372,297	166,821	146,570	685,688	645,221
Additions	-	-	9,301	9,301	66,090
Disposals	-	(39,646)	(2,384)	(42,030)	(25,623)
At 31 March 2025	<u>372,297</u>	<u>127,175</u>	<u>153,487</u>	<u>652,959</u>	<u>685,688</u>
Depreciation and impairment					
At 1 April 2024	21,274	132,980	96,737	250,991	225,666
Depreciation charge for year on disposals	10,637	15,122	19,631	45,390	50,946
	-	(39,646)	(1,859)	(41,505)	(25,621)
At 31 April 2025	<u>31,911</u>	<u>108,456</u>	<u>114,509</u>	<u>254,876</u>	<u>250,991</u>
Net book Value					
At 1 April 2025	<u>340,386</u>	<u>18,719</u>	<u>38,978</u>	<u>398,083</u>	<u>434,697</u>
At 1 April 2024	<u>351,023</u>	<u>33,841</u>	<u>49,833</u>	<u>434,697</u>	<u>419,555</u>

GROUNDWORK EAST (company number 01944186)**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025****13. Debtors: amounts falling due within one year**

	2025	2024
Trade Debtors	342,378	485,052
Other debtors and prepayments	88,154	50,902
Accrued income	170,996	115,186
	<u>601,528</u>	<u>651,140</u>

14. Creditors: amounts falling due within one year

	2025	2024
Trade Creditors	101,657	153,247
Other taxation and social security	168,388	210,253
Deferred income	179,665	280,336
Other Creditors	18,083	-
Accruals	45,104	58,968
	<u>512,897</u>	<u>702,804</u>

Deferred income: project income

	2025	2024
Deferred income at 1 April 2024	280,336	336,858
Resources deferred during the year	179,665	280,336
Amounts released from previous years	(280,336)	(336,858)
Deferred income at 31 March 2025	<u>179,665</u>	<u>280,336</u>

15. Provisions

	2025	2024
Provisions	<u>30,000</u>	<u>25,000</u>

A lease is held by Thames Water Utilities Limited and Groundwork East for the land and premises at Mill Green Sewage Treatment Works. A Condition of the lease is that the site must be returned to its original state at the end of the lease, therefore a provision is in place for the costs of the works required.

16. Operating Lease Commitments

	2025	2024
At 31 March 2025 the total of the Charity's future minimum lease payments under non cancellable operating leases was:		
Amounts payable:		
Within 1 year	<u>8,253</u>	<u>4,227</u>

GROUNDWORK EAST (company number 01944186)**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025****17. Reconciliation of Net Movement in Funds to Net Cash Flow From Operating Activities**

	2025	2024
Net income / (expenditure) for the year (as per Statement of Financial Activities)	(16,363)	(15,369)
Adjustment for:		
Depreciation Charges	45,915	50,946
Interest on investments	(15,331)	(8,185)
(Profit) on sale of tangible fixed assets	(11,985)	(2,000)
(Increase)/ Decrease in debtors	49,612	(49,463)
Increase/ (Decrease) in creditors	(189,907)	89,094
Increase/ (Decrease) in provisions	5,000	-
	<u>(133,059)</u>	<u>65,023</u>
Net cash provided by / (used in) operating activities		

18. Related party disclosures

Some of the Directors of the Trust are also Directors of other companies, trustees of other organisations, employees of other companies or members of Local Authorities with which the Trust has material transactions. However, none of these Directors has a controlling interest or a material beneficial interest in these entities. In the Directors' opinion therefore, they do not fall within the definition of related parties given in the Charities SORP (FRS102) and no separate disclosure of the transactions between the Trust and these entities, which were carried out under normal commercial terms, is required. If one of these Directors has a significant influence in these entities, then transactions between the Trust and these entities are disclosed.

The Trust is related to Groundwork UK, a national umbrella organisation. During the year, Groundwork East received £482,003 (2024 £381,012) from Groundwork UK as funding for projects and paid £1,610 (2024 - £12,546) to Groundwork UK in membership fees and shared email services. As at 31 March 2025, £79,234 was due from Groundwork UK, included in trade debtors (31 March 2024 - £48,993).

19. Movements in funds - current year

	Opening balance	Income	Expenses	Transfers	Closing balance
	£	£	£	£	£
Designated Fund - Carbon Reduction	13,197	-	(3,181)	-	10,016
General Funds	592,119	1,830,499	(1,829,160)	(2,665)	590,793
Total Unrestricted Funds	<u>605,316</u>	<u>1,830,499</u>	<u>(1,832,341)</u>	<u>(2,665)</u>	<u>600,809</u>
Hatfield building	361,439		(14,520)	2,665	349,584
Projects	-	716,407	(716,407)	-	-
Total Restricted Funds	<u>361,440</u>	<u>716,407</u>	<u>(730,927)</u>	<u>2,665</u>	<u>349,584</u>
Total of funds	<u>966,756</u>	<u>2,546,906</u>	<u>(2,563,268)</u>	<u>-</u>	<u>950,393</u>

The designated fund for carbon reduction represents amounts set aside by the Trustees to explore initiatives for the charity to reduce its carbon footprint. During 2022/23, EV Chargers and Solar Panels were purchased for total of £ 15,900. The EV Charges and Solar panels are being depreciated at 20% straight-line over 5 years.

The restricted fund for the Hatfield building represents funds received as grants for the construction of a new building at Mill Green, Hatfield. The building is being depreciated at straight line over 35 years.

GROUNDWORK EAST (company number 01944186)**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025****20. Movements in funds - prior year**

	Opening balance	Income	Expenses	Transfers	Closing balance
	£	£	£	£	£
Designated Fund - Carbon Reduction	15,900	-	(2,703)	-	13,197
General Funds	579,662	1,948,392	(1,941,285)	5,350	592,119
Total Unrestricted Funds	595,562	1,948,392	(1,943,988)	5,350	605,316
New building	386,563	-	(25,123)	-	361,440
Projects	-	611,103	(605,753)	(5,350)	-
Total Restricted Funds	386,563	611,103	(630,876)	(5,350)	361,440
Total of funds	982,125	2,559,495	(2,574,864)	-	966,756

The designated fund for carbon reduction represents amounts set aside by the Trustees to explore initiatives for the charity to reduce its carbon footprint. During 2022/23, EV Chargers and Solar Panels were purchased for total of £ 15,900. The EV Charges and Solar panels are being depreciated at 20% straight-line over 5 years.

The restricted fund for the new building represents funds received as grants for the construction of a new building at Mill Green, Hatfield. The building is being depreciated at straight line over 35 years. Additionally, during the year further clearance costs were identified and charged to the reserve of £9,459.

GROUNDWORK EAST

England & Wales - Charity number 293141

Accounts

Company number: 01944186
Charity number: 293141

GROUNDWORK EAST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

GROUNDWORK EAST
(A Company Limited by Guarantee)

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GROUNDWORK EAST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY
FOR THE YEAR ENDED 31 MARCH 2024

Trustees

Patrick Hughes, Chair
Phillip Bibby
Richard Powell
Julie Smith
Mark Hubbocks
Lisa Goldsmith
Temi Awofala
Peter Duffy
Ruth Thomson
Elisabeth George
John Chesters

Company Registered Number

01944186

Charity Registered Number

293141

Registered Office

Mill Green, Hatfield, Hertfordshire, AL9 5PE

Company Secretary

Mark Hubbocks

Chief Executive

Carolyn Reid

Independent Auditors

Mercer & Hole, 72 London Road, St Albans, Hertfordshire, AL1 1NS

Bankers

National Westminster Bank Plc, 104 Fore Street, Hertford,
Hertfordshire, SG14 1YY

Aldermore Bank Plc, 1st Floor, Block B, Western House, Lynch
Wood, Peterborough, PE2 6FZ

The Charity Bank Ltd, Fosse House, 182 High Street, Tonbridge,
TN9 1BE

CCLA Fund Managers Ltd, Senator House, 85 Queen Victoria
Street, London, EC4V 4ET

Nationwide Building Society, Nationwide House, Pipers Way,
Swindon, SN38 1NW

Solicitors

Mishcon de Reya, 4 Station Square, Cambridge, CB1 2GE

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Groundwork East (the company) for the year ended 31 MARCH 2024. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2023).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

Mission

Groundwork East is a registered charity (no. 293141) and a company limited by guarantee (no. 1944186). It is an independent organisation governed by a Board of Trustees and is a member of the national Federation of Groundwork Trusts.

Our mission is to create a fair and green future in which people, places and nature thrive. In order that we can achieve a 'just transition' to net-zero and help nature recover in a way that tackles inequality and provides a springboard for better work and healthier, happier lives we focus on delivering impact for:

- People – delivering improved prospects, increased wellbeing and more equal opportunity to choose greener ways of living
- Places – developing stronger communities, more responsible business, better social and green infrastructure
- Planet – supporting more people taking environmental action, reduce waste and carbon, and increased biodiversity.

We operate across the 6 counties of the East of England (Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk), partnering with residents, the public and private sectors and other non-profits to deliver wide ranging projects and services.

Established in 1985 our original approach still holds true today: to respond to local needs by putting the right tools in people's hands, engaging with all stakeholders and addressing multiple issues with the same investment.

Organisational history

The first Groundwork initiative was established in St Helens on the edge of Merseyside in 1982 as a radical experiment to bring together communities, businesses and government in a joint effort to improve the quality of life and promote sustainable development in places that had become run-down and neglected.

Since then Groundwork has grown into a national network covering England, Wales, Northern Ireland, and working through partners in Scotland. The Federation of Groundwork Trusts currently comprises 17 independent trusts which collectively deliver projects and programmes to the value of around £65 million per year.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

Groundwork East is one of the longest established Groundwork trusts, established in 1985 as The Hertfordshire Groundwork Trust and gradually expanding to cover the whole East of England but remaining committed to local delivery through teams operating in Hertfordshire, Bedfordshire, Cambridgeshire, Essex, Suffolk and Norfolk. In 2015 the Trust changed its legal name to Groundwork East to reflect its wider geography, however it also continues to operate under local brands.

The original vision for Groundwork – start local, put the right tools in people’s hands, engage with everyone who has a stake in a place and address as many issues as possible with the same investment – holds true today. Groundwork remains committed to *changing places changing lives*: practical action to build stronger communities with better local environments, to tackle climate change and combat fuel poverty, to improve skills and get people back into work, and to inspire the next generation of community champions and green leaders.

We achieve our vision by working together with passionate individuals, proactive public services and innovative parts of the private sector.

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.

We are committed to the principles of sustainable development and the Groundwork Federation aims to halve its collective carbon footprint by 2035 and achieve net zero carbon emissions before 2050.

The way we go about our work is informed by our commitment to ‘the Groundwork approach’:

- 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.

Activities for achieving objectives

Groundwork is a federation of independent charities, called Groundwork Trusts, working under a shared federation strategy. Groundwork East benefits from the national network through the Federation’s ability to build partnerships, fundraise, raise the profile of the Groundwork movement and advocate for change/our beneficiaries with central Government.

Groundwork has worked as a federation this year to establish and implement a new impact and activity measurement framework. As a result, some of the outcomes are collected and reported differently and in certain instances previous years data is not available for comparison.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

The national Groundwork federation 2028 strategy sets out to help;

- More people overcome hardship and isolation
- Build the green economy
- Those who most need it to connect with nature
- More people and places respond and adapt to climate change

Groundwork East aims to achieve the following:

- Improve health, wellbeing and confidence for individuals through nature connection
- Increase access to green sector jobs and improve people's employability outcomes
- Improve human and environmental health across communities
- Adapt landscapes, creating accessible and sustainable green spaces
- Support the transition to Net Zero
- Raise awareness of the importance of understanding our environmental impact

Groundwork East's achievements in 2023/24 include:

- Delivered 139 distinct projects (2022/23 - 262);
- Supported 455 people into education, training or employment;
- Supported 276 organisations (2022/23 - 224);
- Supported 491 businesses (2022/23 - 503);
- Helped 161 young people to learn and achieve;
- Helped 1,969 people supported to make greener choices
- Improved 81,000 m² of land (2022/23 - 181,400 m²);
- Identified cumulative potential savings of 5,328 tCO₂e and £668,171 for individuals, businesses and organisations

Main activities undertaken to further the Charity's purposes for public benefit

Groundwork East operates within the Objects described within the Memorandum and Articles of Association, which outline in detail the type of public benefit sought. Public benefit has been achieved in all thematic areas described within the activity review for the current year. In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

Volunteers

The Trust has worked alongside 135 volunteers. This is the number of people that give their time freely to support Groundwork East's activities as a volunteer. The Directors would like to record their thanks to the many volunteers who supported / engaged with Trust activities during the year.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

ACHIEVEMENTS AND PERFORMANCE

Review of Activities

Groundwork East is a successful, highly regarded and mature Trust which was established in 1985. Every Groundwork Trust is rooted in the area it serves. Each Trust's programmes and services are tailored to the needs of partners and communities in their locality. When all that local activity is added together, it becomes a major national force for change. Groundwork Hertfordshire, Groundwork Luton & Bedfordshire, Groundwork Cambridgeshire & Peterborough, Groundwork Essex, Groundwork Suffolk and Groundwork Norfolk are Groundwork East's locally branded operations in those areas. The year 2023/24 once again saw the Trust's inspirational team deliver a programme of impactful, high profile projects across its operational area.

Project delivery in detail

Impact people - Improved prospects, increased wellbeing and more equal opportunity, to choose greener ways of living

Our training and skills programmes have flourished through our Green Recovery delivery within Huntingdonshire. This project enables the upskilling of adults in green sector skills while also supporting nature recovery in parks and open spaces. These programmes support people in to work while also supporting people with their health and well-being. Support from local authorities, colleges, housing associations and the private sector is ensuring expansion of delivery and ever-improving outcomes for those involved.

Delivery of adult community learning continues to be a large proportion of community and education engagement work the Trust undertakes. Courses range from learning to grow and cook food, be active outdoors and protect the environment, being outdoors and enjoying wild play, to becoming Carbon Literate. These contracts enable the Trust to reach lots of communities across a large geographical area and has helped engage with a large number of individuals, families and businesses.

This year we co-developed an exciting new project with Whipsnade Zoo called Uplifting Potential. The project provides young people aged 14-18 (up to 25 with additional needs) with an opportunity to engage in positive activities, to increase aspirations, life and work readiness, nature connectedness and emotional understanding. UP aids the development of young people's confidence and self-esteem as well as helping prepare them for independent living, returning or engaging in formal education, future educational and training opportunities and volunteering.

We continue to deliver our 5-year youth services contract with Central Bedfordshire Council; providing a range of youth activities to support the needs of young people in each locality within the authority, which also includes the Independent Visitors service for those in care.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

Impact place - Stronger communities, more responsible business, better social and green infrastructure, improved biodiversity

Our large rivers-focussed partnership project with Watford Borough Council called Rediscovering the River Colne is continuing. Groundwork East are project managing the full programme split across the 4 workstreams of: 1. Environmental Improvement (Habitat and in river improvements); 2. Landscape and access improvements; 3. Environmental monitoring; and 4. Community engagement; the aim is to improve the river corridor for the benefit of wildlife and the general public.

Delivery of our innovative home-based growing programme 'homegrown' has enabled residents across the East of England to take part in a healthy living focussed food programme within their own homes. This has grown year on year reaching hundreds of households across the region.

The trust has delivered successful school-based food growing clubs and festival in the form of the project 'VegFest' within Hertfordshire. The reach of this project has now grown into Cambridgeshire with delivery in the current growing season.

Impact planet - More people taking environmental action, reduced waste and carbon, increased biodiversity

The Trust's long-standing partnership with North Herts Council to deliver a range of exciting outside space improvement projects across the local authority continued this year. Our Landscape team have designed two skate parks for King George V park, Hitchin and Newmarket Road recreation ground, Royston, Re-designed the Bancroft play area, Hitchin and two outdoor gyms which have now been installed in King George V park, Hitchin and Baldock Road recreation ground, Letchworth Garden City.

Our Sustainable Business Services carbon management offering has continued to grow and develop during this period. In particular, we have seen growth in our independent and impartial net zero support and expanded our team as result. We have also continued to deliver certified Carbon Literacy training to SMEs, colleges and local authorities across the region and supported emissions reductions from householders by delivering energy efficiency advice.

To further embed messages about water efficiency, Groundwork is working with Northumbrian Water and Waterwise to develop an accredited Water Literacy programme, modelled on experience of delivering carbon literacy training. The initiative, funded by Ofwat's Water Breakthrough Challenge, aims to help 2,000 people become 'water literate' through learning about water scarcity, the value of water as a resource and the link with climate change. Learners will be encouraged to make changes in their own lives and supported to pass on messages at home, at work and in their wider community.

Strategic objectives

The Groundwork UK Strategy up to 2024 has been delivered and a new overarching strategy for the Federation aimed at supporting local communities and businesses to build capacity and resilience in order 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. Groundwork East has developed, and is in the process of embedding, a Strategic Framework for the Trust, aligning outcomes and impact to the work of the Federation, setting our local priorities for the future and establishing longer term impact measurements.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

The Trust set out the following strategic objectives in its Business Plans:

- Ensuring our Governance Instruments are fit for purpose.
 - *We have a strong governance structure in place which is well equipped to interrogate risks and challenges and act on opportunities.*
- Ensuring that our systems and processes are fit for purpose helping us to deliver the best service possible to the communities we serve.
 - *Groundwork East has brought in a new project monitoring and reporting system linked to a new finance system which enables us to reduce bureaucracy and administration ensuring even more of our funds are targeted at direct service delivery. We are looking to modernise our IT systems in the year ahead as part of our technology strategy.*
- Develop a viable income generation strategy that builds opportunities to generate unrestricted income for Groundwork East and the Federation more broadly.
- Developing stronger impact measurement processes and narratives.
 - *As with the income generation objective, Groundwork East has been an active supporter of Groundwork UK in developing a federation-wide approach to both impact measurement and impact articulation. We are excited by what can be achieved working together and will champion a harmonised approach that helps us tell the whole story around the social value we create.*
- Commit to be an expert in the regions we serve and act on the information we generate.
 - *Analytical frameworks capture information pertaining to needs within the counties we serve. A strong evidence base underpins the priorities that drive our environmental/socio/economic interventions.*
- Continue to deliver work we do, our 'business as usual' with a focus on maximising the value of the relationships we have.
- Implement a commercial strategy for our consultancy services, including Sustainable Business Services, that is based on maximising revenue/margin, increasing client retention/value and futureproofing:
 - *The scale of our Sustainable Business Services consultancy has grown.*

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL REVIEW

Review of financial activities

The result for the year is shown in the statement of financial activities on page 17 as a net income of £(15,369) (2022/23 £404,198). We consider this to be a satisfactory outcome.

Reserves Policy

The Trustees have agreed a reserves policy whereby the charity should aim to hold sufficient reserves (unrestricted funds not represented by fixed assets or designated funds held to cover future planned expenditure) to meet estimated closure costs. This is currently calculated at £426,154.

Actual total reserves were £966,757, of which £361,439 were restricted reserves not available for the general purposes of the Trust. Of the remaining £605,318 unrestricted reserves, £13,197 has been designated by the Trustees for specific purposes. The unrestricted general funds were therefore £592,121, of which £83,674 is represented by fixed assets.

The Trust's available reserves were therefore £508,447 which is in line with this policy. The Trust has remained in this stable position in recent years and any small excess or shortage in available reserves has only been short term.

The Board has reviewed the designated funds and is satisfied that they are consistent with the needs of the Trust. This policy is reviewed annually by the Board through the Finance sub-committee.

Investment Policy and Performance

The Trustee's policy is to retain any short-term surplus funds, including designated and restricted funds, in interest-bearing bank accounts. The Trust is mindful of the Financial Services Compensation Scheme limit when investing outside of our core banking relationship. Investment performance was satisfactory.

Fundraising

Groundwork East has not traditionally engaged in public fundraising. During 2023/24 the Trust did not engage any external, professional fundraisers. Projects are funded through formal bids, tenders and contracts. Donations totalled £24,493 in 2023/24 which included a gift in kind of £24,000 by way of waived rent.

Funding sources

The Directors would like to thank the many organisations who have supported the Trust's work. Groundwork East received funding for projects from Groundwork UK, other charities, local authorities, central government, private sector companies, housing associations, town and parish councils and schools throughout the East of England.

We are thankful to all of our funders and partners that made 2023/24 so successful. A selection of these are as follows: London Luton Airport / Luton Rising (via BLCF), Cambridgeshire and Peterborough Healthier Futures Fund (via CCF), Huntingdonshire District Council, Central Bedfordshire Council, North Norfolk District Council, Evelyn Trust, Garfield Weston Foundation, University of Hertfordshire; and various other Community Foundations, local authorities, charitable trusts and corporate organisations.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

PLANS FOR FUTURE PERIODS

As an organisation delivering in local communities but with regional / national scale and strategic stake-holder links, Groundwork is well placed for further delivery of its charitable mission. In order to respond to future opportunities Groundwork East will be required to change and improve in three ways:

- By improving our ability to evidence the impact of our work, using quantitative and qualitative data.
- By consolidating our structures and improving our systems so that we maximise the percentage of our income spent on front-line delivery, enhancing cash-flow, maximising our development resource and building the scale and specialisms needed to provide high quality services in more communities.
- By seeking out opportunities to share services, specialisms, systems and procurement around the Groundwork Federation – both to increase income generation and increase social value creation.

Summary

2023/24 was a successful year for Groundwork East. Efforts to diversify our work are continuing to show success and we are looking forward to benefitting from Groundwork UK's work to improve fundraising and impact measurement across the Federation.

From February 2024, the new Chief Executive of Groundwork East, Carolyn Reid, has led the development of a Strategic Framework for the Trust, aligning it to the work of the Federation, setting our local priorities for the future and establishing longer term impact measurements.

There is robust governance in place, and a sound framework of rules, policies and practices that guide decision-making, ensure accountability and promote transparency.

The East of England has diverse landscapes and faces environmental challenges such as coastal erosion, water scarcity and drought and, conversely, flooding. It has vibrant cities with renowned universities and technology sectors along with strong agricultural industry. However, economic disparities and social challenges persist, exasperated by the cost of living crisis. Overall, the area offers natural beauty, economic opportunities and social complexities. As such, our plans for the future are based on continuing to strengthen our relationships in the public sector, while also looking more actively for opportunities within the private sector. By exploring new avenues and collaborations, we are looking to open up opportunities to build more sustainable communities and support a just transition to Net Zero.

We have been a valued community asset since 1985 and are redoubling our efforts in 2023/24 to meet increasing needs from all sections of society.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The company is registered as a charitable company limited by guarantee. The company is constituted under a Memorandum of Association and is a registered charity (number 293141).

Reference and administrative details for the Charity are provided on page 1 of the financial statements.

Method of Appointment and Election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited by advertisement and contacts with partner organisations.

The Directors, who are also Trustees of the charity, who served during the year, were:

Patrick Hughes
Philip Bibby
Rebecca Britton (Resigned 13 July 2023)
John Barrington Chevallier Guild (Resigned 13 July 2023)
Richard Powell
Julie Smith
Mark Hubbocks
Lisa Goldsmith
Temi Awofala
Peter Duffy
Ruth Thomson
Elisabeth George
John Chesters
Patrick McGeough (Resigned 12 November 2023)
Carolyn Reid (Appointed 5 January 2024) (Director only)

Trustees serve for a period of three years from the date of their appointment. On expiration of their term of office they will be eligible for reappointment for a further three-year term (up to a maximum of three consecutive terms) by majority decision of the remaining Trustees. If a Trustee has served three consecutive terms they must retire from office at the end of their third term of office and will only be eligible for reappointment if at least one year has elapsed since their retirement. The Trustees have the power by a 75 per cent majority of those present and entitled to vote at the meeting to extend a Trustee's period of office (and shall in their absolute discretion decide the period of extension) and to waive the requirement for one year to elapse before a Trustee may be eligible for reappointment.

New directors are provided with structured induction training at the Trust offices. Other training needs are identified on an ongoing basis.

Professional Indemnity insurance is purchased at a cost to the charity to protect the charity and its Trustees.

All Trustees give of their time freely and no director received remuneration in the year. Details of Trustees' expenses are disclosed in note 11 to the accounts.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

Organisational Structure and Decision Making

The Directors meet up to four times per year to review strategy and performance and to set operating plans and budgets. Two sub-committees also meet regularly to deal with functions delegated by the Board of Directors: the Finance, Audit and Risk sub-committee; and the Business Development sub-committee.

The day to day running of the Trust is managed by the Chief Executive, supported by the Finance Director and Operations & Development Director, who refer to the Board for guidance as and when required.

The Trust operates a salary scale. The pay of all staff is reviewed annually. The Finance, Audit and Risk sub-committee agrees the terms of the review on behalf of the Board. The Chief Executive's pay is reviewed by the Chair in liaison with a pay review committee. The pay of the other members of the Leadership Team (Finance Director, Operations & Development Directors and HR Manager) is agreed by the Finance, Audit and Risk sub-committee following recommendations from the Chief Executive.

Employees are consulted in a variety of ways through the following structures: a Staff Consultation group, monthly one to one meetings, regular team meetings, an annual staff survey and an annual staff conference. Through these structures, consultation around Trust development and policy changes is undertaken allowing all staff an active role in formulating the Trust's future. The compilation of the Trust business plans are contributed to by a wide range of staff.

Related Party Relationships

Details of related party transactions are given in note 22 in the financial statements.

Risk Management

The Finance, Audit and Risk sub-committee reviews a formal risk register at each meeting as a standard agenda item. Risks are scored from 1 to 5 in terms of "likelihood" and from 1 to 5 in terms of "impact". The two scores are then multiplied to achieve an overall score. The Finance, Audit and Risk sub-committee reviews progress against agreed actions, monitors changes in internal / external circumstances and is vigilant in terms of new risks. The Chair of the sub-committee reports any significant risk issues at Board meetings. The other sub-committee and any working groups provide input on the risks relevant to them.

Risk assessment of projects takes place under the management of leadership team, led by the Operations & Development Managers. A project risk register captures project risks and mitigating actions. A formal checklist is used on site for all projects and risk assessments accompany all tenders. Projects considered to be higher risk are referred to the Leadership Team and reported to the Finance, Audit and Risk sub-committee under a standing agenda item.

The Chief Executive is expected to report to the Board on any significant new or increased risk that falls outside the parameters of these processes. The Board is satisfied that systems are in place to manage the Trust's exposure to risk.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

Risk Management (continued)

The key risks to the Trust and the actions being taken to mitigate those risks are:

- The impact on project delivery if cash-flow was to become problematic or sustainable long-term surpluses weren't achieved – *Cash-flow forecasts are reviewed regularly by the Chief Executive, Finance Director and Operations & Development Director and are regularly presented to the Finance sub-committee. Business plans are prepared annually with detailed financial projections for approval by the Board. Monthly management accounts monitor performance against these projections and are reviewed by the Finance sub-committee.*
- Child protection issues – *Procedures are reviewed. Appropriate training is delivered.*

Trustees' responsibilities statement

The Trustees (who are also directors of Groundwork East for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- The Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on ^{17/9/2024} and signed on their behalf by:

DocuSigned by:

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Patrick Hughes, Chair

GROUNDWORK EAST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST
FOR THE YEAR ENDED 31 MARCH 2024**

Opinion

We have audited the financial statements of Groundwork East (the 'charitable company') for the year ended 31 MARCH 2024 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

GROUNDWORK EAST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2024

Other information

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirements to prepare a Strategic Report.

GROUNDWORK EAST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2024

Responsibilities of Trustees

As explained more fully in the Trustees' 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to breaches of GDPR and health & safety regulations, and we considered the extent to which non-compliance may have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2006.
- We evaluated the Trustees' incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate income or understate expenditure, and management bias in accounting estimates.
- Audit procedures performed by the engagement team included:
 - discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
 - evaluation of the operating effectiveness of management's controls designed to prevent and detect irregularities;
 - review correspondence with the Charity Commission for evidence of breaches; and
 - identifying and testing journal entries.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error,

GROUNDWORK EAST
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as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2024

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

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Jolene Upshall (Senior Statutory Auditor) 11/10/2024

for and on behalf of

Mercer & Hole
72 London Road
St Albans
Hertfordshire
AL1 1NS

GROUNDWORK EAST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Restricted funds 2024 £	Unrestricted funds 2024 £	Total Funds 2024 £	Total funds 2023 £
INCOME FROM:					
Donations and legacies	2	-	29,493	29,493	475,220
Investments	3	-	8,185	8,185	4,321
Charitable activities	4	611,105	1,908,715	2,519,820	2,451,654
Other income	5	-	2,000	2,000	18,696
TOTAL INCOME		611,105	1,948,393	2,559,498	2,949,891
EXPENDITURE ON:					
Charitable activities	6,7	630,878	1,943,989	2,574,867	2,545,693
TOTAL EXPENDITURE		630,878	1,943,989	2,574,867	2,545,693
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(19,773)	4,404	(15,369)	404,198
Transfers between Funds	16	(5,350)	5,350	-	-
NET INCOME / (EXPENDITURE)		(25,123)	9,754	(15,369)	404,198
NET MOVEMENT IN FUNDS		(25,123)	9,754	(15,369)	404,198
RECONCILIATION OF FUNDS:					
Total funds brought forwards		386,563	595,562	982,125	577,927
TOTAL FUNDS CARRIED FORWARD		361,440	605,316	966,756	982,125

The notes on pages 20 to 33 form part of these financial statements.

GROUNDWORK EAST
(A Company Limited by Guarantee)

BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	£	2023 £	£
FIXED ASSETS					
Tangible assets	12		434,697		419,554
CURRENT ASSETS					
Debtors	13	651,141		607,179	
Cash at bank and in hand		608,722		599,604	
		1,259,864		1,206,783	
CREDITORS: amounts falling due within one year	14	(702,804)		(619,212)	
NET CURRENT ASSETS			557,060		587,571
TOTAL ASSETS LESS CURRENT LIABILITIES			991,756		1,007,125
Provisions for Liabilities	15		(25,000)		(25,000)
NET ASSETS			966,756		982,125
CHARITY FUNDS					
Restricted funds	16		361,440		386,563
Unrestricted funds	16		605,316		595,562
TOTAL FUNDS			966,756		982,125

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 17/9/2024 and signed on their behalf by:

DocuSigned by:
Patrick Hughes
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Patrick Hughes, Chair

The notes on pages 20 to 33 form part of these financial statements.

GROUNDWORK EAST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by / (used in) operating activities	18	65,023	335,953
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends and interest		8,185	4,321
Proceeds from the sale of tangible fixed assets		2,000	-
Purchase of tangible fixed assets		(66,090)	(394,942)
NET CASH USED IN INVESTING ACTIVITIES		<u>(55,905)</u>	<u>(390,621)</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN YEAR		<u>9,118</u>	<u>(54,668)</u>
Cash and cash equivalents brought forward		599,604	654,272
CASH AND CASH EQUIVALENTS CARRIED FORWARD	19	<u>608,722</u>	<u>599,604</u>

The notes on pages 20 to 33 form part of these financial statements.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2023) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Groundwork East meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 GOING CONCERN

The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024

1 ACCOUNTING POLICIES (continued)

1.5 INCOME

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised and refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Project funding which is received in the form of grants is recognised as restricted income in the period in which it is received, unless it is subject to conditions in which case it is deferred until the conditions are met.

Project funding which is received in the form of contracts is recognised as unrestricted income. Where contract income has been received but the related services have not been performed by the year end, the balance is carried forward as deferred income.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.6 EXPENDITURE

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024

1 ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold building	over the term of the lease
Motor vehicles	25.0% straight line
Fixtures and fittings	20.0% straight line
Computer equipment	33.3% straight line

1.8 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.9 FINANCIAL INSTRUMENTS

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.10 DEBTORS

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

1.11 CASH AT BANK AND IN HAND

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024

1 ACCOUNTING POLICIES (continued)

1.12 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

The key estimates and assumptions made in these accounts are: depreciation is calculated on a straight-line basis, based on management's best estimate of the useful economic lives of assets on policies that can be seen above; and income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably on policies that can be seen above.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024

2 INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	-	24,493	24,493	26,220
Grants	-	-	-	449,000
Total 2024	-	24,493	24,493	475,220
<i>Total 2023</i>	<i>449,000</i>	<i>26,220</i>	<i>475,220</i>	

Donations include a gift in kind of £24,000 (2023 - £24,000) by way of rent waived during the year.

3 INVESTMENT INCOME

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total Funds 2024 £	Total funds 2023 £
Bank interest 2024	-	8,185	8,185	4,321
<i>Total 2023</i>	<i>-</i>	<i>4,321</i>	<i>4,321</i>	

4 INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Central Government	17,476	181,008	198,484	153,841
Local Authorities	226,322	1,129,550	1,355,872	1,179,072
Education and Skills Funding Agency	-	104,221	104,221	67,110
Charitable Trusts and Foundations	95,871	138,296	234,167	325,334
Private Sector	44,967	180,322	225,289	263,655
Housing Associations	523	14,532	15,055	42,815
Groundwork UK	220,226	160,786	381,012	412,717
Landfill Communities Fund	-	-	-	-
National Lottery	5,720	-	5,720	7,110
Total 2024	611,105	1,908,715	2,519,820	2,451,654
<i>Total 2023</i>	<i>746,770</i>	<i>1,704,884</i>	<i>2,451,654</i>	

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024

5 OTHER INCOME

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Profit on disposal of tangible fixed assets	-	2,000	2,000	-
Sundry income	-	5,049	5,049	18,696
Total 2024	-	7,049	7,049	18,696
<i>Total 2023</i>	-	18,696	18,696	

6 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Core projects	630,880	1,943,989	2,574,869	2,545,693
Total 2024	630,880	1,943,989	2,574,869	2,545,693
<i>Total 2023</i>	828,250	1,717,443	2,545,693	

7 ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2024 £	Support and governance costs 2024 £	Total 2024 £	Total 2023 £
Core projects	1,542,382	1,032,487	2,574,869	2,545,693
Total 2024	1,542,382	1,032,487	2,574,869	2,545,693
<i>Total 2023</i>	1,530,606	1,015,087	2,545,693	

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024

8 DIRECT COSTS

	Core Projects 2024 £	Total 2024 £	Total 2023 £
Project costs	357,816	357,816	451,632
Wages and salaries	1,045,631	1,045,631	943,663
National insurance	80,340	80,340	76,998
Pension cost	58,595	58,595	58,313
Total 2024	1,542,382	1,542,382	1,530,606
<i>Total 2023</i>	<i>1,530,606</i>	<i>1,530,606</i>	

9 SUPPORT COSTS

	Governance 2024 £	Other 2024 £	Total 2024 £	Total 2023 £
Rent and rates	-	90,682	90,682	85,784
Communications	-	10,070	10,070	12,609
IT expenses	-	77,644	77,644	84,156
Training and recruitment	-	26,334	26,334	35,533
Marketing, publicity and advertising	-	13,894	13,894	29,454
Sundries	-	63,873	63,873	72,398
Insurances	-	30,380	30,380	26,942
Motor vehicle costs and mileage	-	25,610	25,610	21,343
Professional fees	8,978	55,392	64,370	27,267
Board expenses	1,077	-	1,077	1,655
Wages and salaries	9,039	517,036	526,075	507,669
National insurance	694	39,726	40,420	41,422
Pension cost	506	28,974	29,480	31,372
Depreciation	-	32,578	32,578	37,483
Loss on disposal of fixed asset investment	-	-	-	-
Total 2024	20,245	1,012,193	1,032,487	1,015,087
<i>Total 2023</i>	<i>25,936</i>	<i>989,151</i>	<i>1,015,087</i>	

10 NET INCOME

	2024 £	2023 £
This is stated after charging:		
Depreciation of tangible fixed assets owned by the charity	50,946	37,483
Auditor's remuneration – audit	8,978	7,750
Auditor's remuneration – other services	-	-

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024

11 STAFF COSTS, INCLUDING COST OF KEY MANAGEMENT PERSONNEL AND TRUSTEE EXPENSES

	2024	2023
	£	£
Staff costs were as follows:		
Wages and salaries	1,571,706	1,451,332
Social security costs	120,760	118,420
Other pension costs	88,075	89,685
	1,780,541	1,659,437

The average number of persons employed by the company during the year was 58 (2023 - 56) and the average monthly number of employees during the year expressed as full time equivalents was as follows:

	2024	2023
	No.	No.
Direct charitable	48	44
Marketing and communications	1	1
Governance	1	1
	50	46

The number of higher paid employees was:

	2024	2023
	No.	No.
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0

The key management personnel of the charity comprise the Trustees, the Chief Executive, Finance Director and Operations & Development Directors. No Trustee received any remuneration or benefits in kind from the charity (2023 - £nil). The total employment benefits including employer pension contributions and employer national insurance contributions of key management personnel were £235,687 (2023 - £254,725).

During the year 2 Trustee (2023 - 1) received £283 reimbursement of expenses (2023 - £397).

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024

12 TANGIBLE FIXED ASSETS

	Land and buildings £	Motor vehicles £	Furniture, fittings and equipment £	Total £
COST				
At 1 April 2023	372,297	161,391	111,533	645,221
Additions	-	27,440	38,650	66,090
Disposals	-	(22,010)	(3,613)	(25,623)
At 31 MARCH 2024	<u>372,297</u>	<u>166,821</u>	<u>146,570</u>	<u>685,688</u>
DEPRECIATION				
At 1 April 2023	10,637	139,300	75,729	225,666
Charge for the year	10,637	15,690	24,619	50,946
On disposals	-	(22,010)	(3,611)	(25,621)
At 31 MARCH 2024	<u>21,274</u>	<u>132,980</u>	<u>96,737</u>	<u>250,991</u>
NET BOOK VALUE				
At 31 MARCH 2024	<u>351,023</u>	<u>33,841</u>	<u>49,833</u>	<u>434,697</u>
At 31 March 2023	<u>361,660</u>	<u>22,091</u>	<u>35,803</u>	<u>419,554</u>

13 DEBTORS

	2024 £	2023 £
Trade debtors	485,053	348,429
Other debtors and prepayments	50,902	74,501
Accrued income	115,186	184,249
	<u>651,141</u>	<u>607,179</u>

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	153,247	65,969
Other taxation and social security	210,253	155,600
Deferred income	280,336	336,858
Other creditors	-	3,677
Accruals	58,968	57,108
	702,804	619,212

DEFERRED INCOME: PROJECT INCOME

	£
Deferred income at 1 April 2023	336,858
Resources deferred during the year	280,336
Amounts released from previous years	(336,858)
Deferred income at 31 MARCH 2024	280,336

15 PROVISIONS

	2024	2023
	£	£
At 1 April 2023 and 31 MARCH 2024	25,000	25,000

A lease is held by Thames Water Utilities Limited and Groundwork East for the land and premises at Mill Green Sewage Treatment Works. A condition of the lease is that the site must be returned to its original state at the end of the lease remains in place and therefore a provision is in place for the costs of the works required.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024

16 STATEMENT OF FUNDS – CURRENT YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in / (out) £	Balance at 31 MARCH 2024 £
DESIGNATED FUNDS					
Carbon reduction	15,900	-	(2,703)	-	13,197
GENERAL FUNDS					
General funds	579,662	1,948,392	(1,941,285)	5,350	592,119
Total unrestricted funds	<u>595,562</u>	<u>1,948,392</u>	<u>(1,943,988)</u>	<u>5,350</u>	<u>605,316</u>
RESTRICTED FUNDS					
New building	386,563		(25,123)	-	361,440
Projects		611,103	(605,753)	(5,350)	-
Total restricted funds	<u>386,563</u>	<u>611,103</u>	<u>(630,876)</u>	<u>(5,350)</u>	<u>361,440</u>
Total of funds	<u>982,125</u>	<u>2,559,495</u>	<u>(2,574,864)</u>	<u>-</u>	<u>966,756</u>

The designated fund for carbon reduction represents amounts set aside by the Trustees to explore initiatives for the charity to reduce its carbon footprint. During 2022/23, EV Chargers and Solar Panels were purchased for total of £ 15,900. The EV Charges and Solar panels are being depreciated at 20% straight-line over 5 years.

The restricted fund for the new building represents funds received as grants for the construction of a new building at Mill Green, Hatfield. The building is being depreciated at straight line over 35 years. Additionally, during the year further clearance costs were identified and charged to the reserve of £9,459

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024

16 STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS – PRIOR YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in / (out) £	Balance at 31 March 2023 £
DESIGNATED FUNDS					
Future projects	10,000	-	-	(10,000)	-
Carbon reduction	10,000			5,900	15,900
GENERAL FUNDS					
General funds	530,808	1,754,121	(1,717,443)	12,176	579,662
Total unrestricted funds	<u>550,808</u>	<u>1,754,121</u>	<u>(1,717,443)</u>	<u>8,076</u>	<u>595,562</u>
RESTRICTED FUNDS					
New building	27,119	449,000	(45,128)	(44,428)	386,563
Project monies	-	746,770	(783,122)	36,352	-
Total restricted funds	<u>27,119</u>	<u>1,195,770</u>	<u>(828,250)</u>	<u>(8,076)</u>	<u>386,563</u>
	<u>577,927</u>	<u>2,949,891</u>	<u>(2,545,693)</u>	<u>-</u>	<u>982,125</u>

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	351,051	83,646	434,697
Current assets	0	1,259,864	1,259,864
Creditors due within one year	-	(702,804)	(702,804)
Provisions for liabilities and charges	-	(25,000)	(25,000)
	<u>351,051</u>	<u>615,706</u>	<u>966,757</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	379,770	39,784	419,554
Current assets	6,793	1,199,990	1,206,783
Creditors due within one year	-	(619,212)	(619,212)
Provisions for liabilities and charges	-	(25,000)	(25,000)
	<u>386,563</u>	<u>595,562</u>	<u>982,125</u>

18 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net income / (expenditure) for the year (as per Statement of Financial Activities)	(15,369)	404,198
Adjustment for:		
Depreciation charges	50,946	37,483
Dividends, interest and rents from investments	(8,185)	(4,321)
(Profit) on the sale of tangible fixed assets	(2,000)	-
(Increase) in debtors	(49,463)	(115,897)
Increase / (Decrease) in creditors	89,094	14,490
Net cash provided by / (used in) operating activities	<u>65,023</u>	<u>335,953</u>

19 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Cash in hand	<u>608,722</u>	<u>599,604</u>

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024

20 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £88,075 (2023 - £89,685). Contributions totalling £12,585 (2023 - £12,460) were payable to the fund at the balance sheet date and are included in creditors.

21 OPERATING LEASE COMMITMENTS

At 31 MARCH 2024 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2024	2023
Amounts payable:	£	£
Within 1 year	4,227	38,589
Between 1 and 5 years	-	1,435
	4,227	40,024

22 RELATED PARTY TRANSACTIONS

Some of the Directors of the Trust are also Directors of other companies, trustees of other organisations, employees of other companies or members of Local Authorities with which the Trust has material transactions. However, none of these Directors has a controlling interest or a material beneficial interest in these entities. In the Directors' opinion therefore, they do not fall within the definition of related parties given in the Charities SORP (FRS102) and no separate disclosure of the transactions between the Trust and these entities, which were carried out under normal commercial terms, is required. If one of these Directors has a significant influence in these entities, then transactions between the Trust and these entities are disclosed. During the year, Groundwork East received £nil (2023 - £3,566) from Ealing Community Transport, a charity in which a Director of Groundwork East has significant influence, for project work on carbon reduction for Ealing Community Transport.

The Trust is related to Groundwork UK, a national umbrella organisation. During the year, Groundwork East received £381,012 (2023 - £417,897) from Groundwork UK as funding for projects and paid £12,546 (2023 - £10,115) to Groundwork UK in membership fees and shared email services. As at 31 MARCH 2024, £48,993 was due from Groundwork UK, included in trade debtors (31 March 2023 - £40,088), £nil was due to Groundwork UK, included in trade creditors (31 March 2023 - £38).

GROUNDWORK EAST

England & Wales - Charity number 293141

Accounts

Company number: 01944186
Charity number: 293141

GROUNDWORK EAST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

GROUNDWORK EAST
(A Company Limited by Guarantee)

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GROUNDWORK EAST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY
FOR THE YEAR ENDED 31 MARCH 2023

Trustees	Patrick Hughes, Chair Phillip Bibby Rebecca Britton John Barrington Chevallier Guild Richard Powell Julie Smith Mark Hubbocks Lisa Goldsmith Temi Awofala Peter Duffy Ruth Thomson Elisabeth George John Chesters Patrick McGeough
Company Registered Number	01944186
Charity Registered Number	293141
Registered Office	Mill Green, Hatfield, Hertfordshire, AL9 5PE
Company Secretary	Michael Wood
Chief Executive	Carolyn Reid
Finance Director	Michael Wood
Operations & Development Directors	Anna Martin-Edwards and Chris Dungate
Independent Auditors	Mercer & Hole, 72 London Road, St Albans, Hertfordshire, AL1 1NS
Bankers	National Westminster Bank Plc, 104 Fore Street, Hertford, Hertfordshire, SG14 1YY Aldermore Bank Plc, 1 st Floor, Block B, Western House, Lynch Wood, Peterborough, PE2 6FZ The Charity Bank Ltd, Fosse House, 182 High Street, Tonbridge, TN9 1BE CCLA Fund Managers Ltd, Senator House, 85 Queen Victoria Street, London, EC4V 4ET Nationwide Building Society, Nationwide House, Pipers Way, Swindon, SN38 1NW Virgin Money Plc, Jubilee House, Gosforth, Newcastle Upon Tyne, NE3 4PL Metro Bank Plc, One Southampton Row, London, WC1B 5HA
Solicitors	Taylor Vinters LLP, Merlin Place, Milton Road, Cambridge, CB4 0BD

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Groundwork East (the company) for the year ended 31 March 2023. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2022).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

Mission

Groundwork is the community charity with a green heart. We want places to look better, streets to be safer and outside areas to be green and beautiful. We want people of all ages to be able to do things together to make the best of where they live. We want to improve job prospects by offering training. We want to show people how they can make their homes more efficient places to run and support businesses to deliver on their corporate social responsibility and sustainability agendas.

We tackle five main social issues, focusing our resources on areas of high deprivation but not exclusively so:

- Social isolation and fragmented communities;
- Poor health and well-being;
- Dependence on limited prospects;
- Unsustainable living and working; and
- Lack of safety and security.

We work towards a vision 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.

Creating those sustainable communities means developing initiatives which cut across economics, social issues and the environment. Our work is diverse, but all of it helps to achieve our vision.

Strategies for achieving objectives

The Groundwork approach is to start local, put the right tools in people's hands, engage with everyone who has a stake in a place and address as many issues as possible with the same investment.

We create real change. That means carrying out work locally, regionally and nationally that:

- Builds people's skills and improves job prospects;
- Redesigns our neglected open spaces, making it fit for purpose;
- Helps people make their own decisions about their area;
- Motivates and develops our young people; and
- Promotes greener ways of living and working.

We achieve our vision by working together with passionate individuals, proactive public services and innovative parts of the private sector.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Activities for achieving objectives

Groundwork East (the Trust) is a member of the national Groundwork Federation. The Federation is coordinated by Groundwork UK. The Trust benefits from the national network through the Federation's ability to build partnerships, fundraise, market Groundwork and manage Groundwork's relationship with central Government.

The national Groundwork Federation aims to achieve the following targets, as outlined in their national strategy, by 2023:

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

Groundwork East aims to achieve the following:

- Mobilise people of all ages to give their time to social action in their local communities;
- Inspire and support young people to learn, achieve and develop as more active citizens;
- Help people to progress in education, access training or start work.
- Provide advice, funding and practical support to community groups;
- Improve and help look after green spaces;
- Help people save money on their bills or stay warm and well in their homes; and
- Support businesses to reduce their impact on the environment or increase their commitment to the community.

Groundwork East's achievements in 2022/23 include:

- Delivered 262 distinct projects (2021/22 - 245);
- Helped 1,571 young people to learn and achieve (2021/22 - 735);
- Supported young people to achieve 1,877 positive outcomes (2021/22 - 1,094);
- Supported 66 people into education, training or employment (2021/22 - 70);
- Supported 224 community organisations (2021/22 - 155);
- Improved 57 public spaces, which benefitted 84,245 people (2021/22 59 and 79,835);
- Improved 181,400 m² of land (2021/22 - 134,019 m²);
- Worked with 82 schools (2021/22 - 108);
- Supported 503 businesses (2021/22 - 302)

Main activities undertaken to further the Charity's purposes for public benefit

Groundwork East operates within the Objects described within the Memorandum and Articles of Association, which outline in detail the type of public benefit sought. Public benefit has been achieved in all thematic areas described within the activity review for the current year. In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Volunteers

The Trust has worked alongside 881 (2021/22 – 1,077) volunteers. Many volunteers engage with the Trust through our training programmes and via our work with youth groups. Volunteers assist with the planning and design of projects through local steering groups and continue to be involved with ongoing projects within their area. The Trust is well aware that assisting volunteers to claim ownership of projects helps to develop a sense of community pride and greatly enhances sustainability.

The Directors would like to record their thanks to the many volunteers who supported / engaged with Trust activities during the year.

ACHIEVEMENTS AND PERFORMANCE

Review of Activities

Groundwork East is a successful, highly regarded and mature Trust which was established in 1985. Every Groundwork Trust is rooted in the area it serves. Each Trust's programmes and services are tailored to the needs of partners and communities in their locality. When all that local activity is added together, it becomes a major national force for change. Groundwork Hertfordshire, Groundwork Luton & Bedfordshire, Groundwork Cambridgeshire & Peterborough, Groundwork Essex, Groundwork Suffolk and Groundwork Norfolk are Groundwork East's locally branded operations in those areas. The year 2022/23 once again saw the Trust's inspirational team deliver a programme of impactful, high profile projects across its operational area.

Project delivery in detail

Improving people's prospects

Delivery and participation in our suite of training and skills programmes continues to grow. With capability to deliver across the entire operating area we hold long term contracts in Essex, Norfolk, Cambridgeshire and Central Bedfordshire. A new programme called Green Recovery has been established upskilling adults in green sector skills while also supporting nature recovery in parks and open spaces. These programmes support people in to work while also supporting people with their health and well-being. Support from local authorities, colleges, housing associations and the private sector is ensuring expansion of delivery and ever-improving outcomes for those involved.

Delivery of adult community learning continues to be a large proportion of community and education engagement work the Trust undertakes. Courses range from learning to grow and cook food, be active outdoors and protect the environment, being outdoors and enjoying wild play, to becoming Carbon Literate. These contracts enable the Trust to reach lots of communities across a large geographical area and has helped engage with a large number of individuals, families and businesses.

We continue to deliver our 5-year youth services contract with Central Bedfordshire Council; providing a range of youth activities to support the needs of young people in each locality within the authority, which also includes the Independent Visitors service for those in care. The service offers general youth club provision, targeted clubs, targeted workshops and 121 support. Our holistic approach to working with young people means that programmes are tailored to the specific needs of the people we work with. Young people may now refer themselves to the service; no longer requiring a parent or professional to do this. There are no thresholds, so no matter what the level of need is, Groundwork can offer support. The offer aims to be as broad as possible – supporting the full spectrum of need, from those in crisis to those who want to improve their skills, meet new people or develop their own project.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Project delivery in detail (continued)

Creating better places

The Trust's long-standing partnership with North Herts Council to deliver a range of exciting outside space improvement projects across the local authority continued and the Trust also secured a 4 year continuation to the contract by successfully negotiating a new contract in January. Large scale works over the last 12 months included refurbishment of the Smithsons play area in Hitchin and the MuGA in Avenue Park, Baldock

A large and exciting project in partnership with Watford Borough Council called Rediscovering the River Colne is underway. Groundwork East are project managing the full programme split across the 4 workstreams of: 1. Environmental Improvement (Habitat and in river improvements); 2. Landscape and access improvements; 3. Environmental monitoring; and 4. Community engagement; the aim is to improve the river corridor for the benefit of wildlife and the general public. The Trust is also leading on the fundraising strategy to support the large capital improvements planned and community engagement elements. In the last 12 months this included a successful £268,000 bid to the National Lottery Heritage Fund.

Promoting greener living and working

Our Sustainable Business Services offering has continued to grow and develop during this period. In particular, we have seen growth in our carbon management consultancy for SMEs, including net zero support and the development of our Carbon Charter accreditation scheme and sustainable business network.

Over this period our core services have related to energy and resource efficiency audits and greenhouse gas accounting, reporting and management. We have provided our clients with strategic business advice on reaching net zero carbon and the implementation of costed carbon reduction plans. We have also continued to deliver certified Carbon Literacy training to SMEs, colleges and local authorities across the region and supported emissions reductions from householders by delivering energy efficiency and retrofit advice.

Our team has also worked extensively on Groundwork East's own decarbonisation plan through which we have committed to achieving net zero emissions by 2050.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Strategic objectives

The Trust set out the following strategic objectives in its Business Plan – with progress noted in italics:

- Develop a commercial strategy for our consultancy services, including Sustainable Business Services, that is based on maximising revenue/margin, increasing client retention/value and futureproofing:
 - *Growth of our Sustainable Business Services consulting products has continued. We have grown our portfolio to include new training options, including Carbon Literacy – increasing the breadth of our offering.*
- Develop a viable fundraising strategy that exploits opportunities to generate unrestricted income for Groundwork East and the Federation more broadly.
 - *Groundwork East has been an active supporter of Groundwork UK in developing a federation-wide approach to unrestricted income-generation. This piece of work is ongoing and seeks to build on the success we have had in previous years.*
- Commit to be an expert in the regions we serve and act on the information we generate.
 - *Our Business Development team has produced analytical frameworks to capture information pertaining to needs within the counties we serve. These active documents form part of our planning processes, and provide an evidence base for the priorities that drive our environmental/socio/economic interventions.*
- Continue to deliver work we do, our 'business as usual' with a focus on maximising the value of the relationships we have.
 - *We have implemented a CRM database in order to record information and communicate externally with a greater impact.*
- Ensuring our Governance Instruments are fit for purpose.
 - *Our Board Governance Review has led to a substantial restructure of our governance – bringing in new experience, views and skills. We have a strong governance structure in place which is well equipped to interrogate risks and challenges and act on opportunities.*
- Developing stronger impact measurement processes and narratives.
 - *As with the fundraising objective, Groundwork East has been an active supporter of Groundwork UK in developing a federation-wide approach to both impact measurement and impact articulation. We are excited by what can be achieved working together and will champion a harmonised approach that helps us tell the whole story around the social value we create.*

The Groundwork UK Strategy up to 2023 has been achieved and a new overarching strategy for the Federation is in development. From February 2023, the new Chief Executive of Groundwork East has led the development of a new Strategic Framework for the Trust, aligning it to the work of the Federation, setting our local priorities for the future and establishing longer term impact measurements.

FINANCIAL REVIEW

Review of financial activities

The result for the year is shown in the statement of financial activities on page 17 as a net income of £404,198 (2021/22 £81,840). We consider this to be a satisfactory outcome. The year's results included grant income of £449,000 for a new building and related expenditure of £45,128.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Reserves Policy

The Trustees have agreed a reserves policy whereby the charity should aim to hold sufficient reserves (unrestricted funds not represented by fixed assets or designated funds held to cover future planned expenditure) to meet estimated closure costs. This is currently calculated at £473,656.

Actual total reserves were £982,125, of which £386,563 were restricted reserves not available for the general purposes of the Trust. Of the remaining £595,562 unrestricted reserves, £15,900 has been designated by the Trustees for specific purposes. The unrestricted general funds were therefore £579,662, of which £39,784 is represented by fixed assets.

The Trust's available reserves were therefore £539,878 which is in line with this policy. The Trust has remained in this stable position in recent years and any small excess or shortage in available reserves has only been short term.

The Board has reviewed the designated funds and is satisfied that they are consistent with the needs of the Trust. This policy is reviewed annually by the Board through the Finance sub-committee.

This year, the designated fund for carbon reduction initiatives was increased from £10,000 to £15,900.

Investment Policy and Performance

The Trustee's policy is to retain any short-term surplus funds, including designated and restricted funds, in interest-bearing bank accounts. The Trust is mindful of the Financial Services Compensation Scheme limit when investing outside of our core banking relationship. Investment performance was satisfactory.

Fundraising

Groundwork East does not engage in public fundraising. During 2022/23 the Trust did not engage any external, professional fundraisers. Projects are funded through formal bids, tenders and contracts. Donations totalled £475,220 in 2022/23 which included a gift in kind of £24,000 by way of waived rent and a grant of £449,000 for a new building.

Funding sources

The Directors would like to thank the many organisations who have supported the Trust's work. Groundwork East received funding for projects from Groundwork UK, other charities, local authorities, central government, private sector companies, housing associations, town and parish councils and schools throughout the East of England.

We are thankful to all of our funders and partners that made 2022/23 so successful. A selection of these are as follows:

The John Laing Charitable Trust; Watford Borough Council; Cambridgeshire County Council; Tesco Community Grants; Forward Trust; Sustainable St Albans; Anglian Water; Affinity Water; Environment Agency; Harpur Trust; Urban & Civic; the various Community Foundations across our geography; and many others.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

PLANS FOR FUTURE PERIODS

As an organisation delivering in local communities but with regional / national scale and strategic stake-holder links, Groundwork is well placed for further delivery of its charitable mission. In order to respond to future opportunities Groundwork East will be required to change and improve in three ways:

- By improving our ability to evidence the impact of our work, using quantitative and qualitative data.
- By consolidating our structures and improving our systems so that we maximise the percentage of our income spent on front-line delivery, enhancing cash-flow, maximising our development resource and building the scale and specialisms needed to provide high quality services in more communities.
- By seeking out opportunities to share services, specialisms, systems and procurement around the Groundwork Federation – both to increase income generation and increase social value creation.

Summary

2022/23 was a successful year for Groundwork East. Efforts to diversify our work are continuing to show success and we are looking forward to benefitting from Groundwork UK's work to improve fundraising and impact measurement across the Federation.

From February 2023, the new Chief Executive of Groundwork East, Carolyn Reid, has led the development of a Strategic Framework for the Trust, aligning it to the work of the Federation, setting our local priorities for the future and establishing longer term impact measurements.

There is robust governance in place, and a sound framework of rules, policies and practices that guide decision-making, ensure accountability and promote transparency.

The East of England has diverse landscapes and faces environmental challenges such as coastal erosion. It has vibrant cities with renowned universities and technology sectors along with strong agricultural industry. However, economic disparities and social challenges persist, exasperated by the cost of living crisis. Overall, the area offers natural beauty, economic opportunities and social complexities. As such, our plans for the future are based on continuing to strengthen our relationships in the public sector, while also looking more actively for opportunities within the private sector. By exploring new avenues and collaborations, we are looking to open up opportunities to build more sustainable communities and support a just transition to Net Zero.

We have been a valued community asset since 1985 and are redoubling our efforts in 2023/24 to meet increasing needs from all sections of society.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The company is registered as a charitable company limited by guarantee. The company is constituted under a Memorandum of Association and is a registered charity (number 293141).

Reference and administrative details for the Charity are provided on page 1 of the financial statements.

Method of Appointment and Election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited by advertisement and contacts with partner organisations.

The Directors, who are also Trustees of the charity, who served during the year, were:

Patrick Hughes
Philip Bibby
Rebecca Britton
John Barrington Chevallier Guild
Richard Powell
Julie Smith
Mark Hubbocks
John Humpston (resigned 7 July 2022)
Lisa Goldsmith
Temi Awofala
Peter Duffy (appointed 7 July 2022)
Ruth Thomson (appointed 7 July 2022)
Elisabeth George (appointed 28 September 2022)
John Chesters (appointed 28 September 2022)
Patrick McGeough (appointed 28 September 2022)

Trustees serve for a period of three years from the date of their appointment. On expiration of their term of office they will be eligible for reappointment for a further three-year term (up to a maximum of three consecutive terms) by majority decision of the remaining Trustees. If a Trustee has served three consecutive terms they must retire from office at the end of their third term of office and will only be eligible for reappointment if at least one year has elapsed since their retirement. The Trustees have the power by a 75 per cent majority of those present and entitled to vote at the meeting to extend a Trustee's period of office (and shall in their absolute discretion decide the period of extension) and to waive the requirement for one year to elapse before a Trustee may be eligible for reappointment.

New directors are provided with structured induction training at the Trust offices. Other training needs are identified on an ongoing basis.

Professional Indemnity insurance is purchased at a cost to the charity to protect the charity and its Trustees.

All Trustees give of their time freely and no director received remuneration in the year. Details of Trustees' expenses are disclosed in note 11 to the accounts.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Organisational Structure and Decision Making

The Directors meet four times per year to review strategy and performance and to set operating plans and budgets. Four sub-committees also meet four times per year to deal with functions delegated by the Board of Directors: the Finance sub-committee; the Quality & Compliance sub-committee; the Infrastructure sub-committee and the Business Development sub-committee.

The day to day running of the Trust is managed by the Chief Executive, Carolyn Reid, the Finance Director, Michael Wood, and two Operations & Development Directors, Anna Martin-Edwards and Chris Dungate, who refer to the Board for guidance as and when required.

The Trust operates a salary scale. The pay of all staff is reviewed annually. The Finance sub-committee agrees the terms of the review on behalf of the Board. The Chief Executive's pay is reviewed by the Chair in liaison with the Finance sub-committee. The pay of the other members of the Leadership Team (Finance Director, Operations & Development Directors and HR Manager) is agreed by the Finance sub-committee following recommendations from the Chief Executive.

Employees are consulted in a variety of ways through the following structures: a Staff Consultation group, monthly one to one meetings, regular team meetings, an annual staff survey and an annual staff conference. Through these structures, consultation around Trust development and policy changes is undertaken allowing all staff an active role in formulating the Trust's future. The compilation of the Trust business plan is contributed to by a wide range of staff.

Related Party Relationships

Details of related party transactions are given in note 22 in the financial statements.

Risk Management

The Finance sub-committee reviews a formal risk register at each meeting as a standard agenda item. Risks are scored from 1 to 5 in terms of "likelihood" and from 1 to 5 in terms of "impact". The two scores are then multiplied to achieve an overall score. The Finance sub-committee reviews progress against agreed actions, monitors changes in internal / external circumstances and is vigilant in terms of new risks. The Chair of the Finance sub-committee reports any significant risk issues at Board meetings. The other sub-committees provide input on the risks relevant to them.

Risk assessment of projects takes place under the management of the Operations & Development Directors. A formal checklist is used on site for all projects and risk assessments accompany all tenders. Projects considered to be higher risk are referred to the Leadership Team or the Finance sub-committee / Board under a standing agenda item.

The Chief Executive is expected to report to the Board on any significant new or increased risk that falls outside the parameters of these processes. The Board is satisfied that systems are in place to manage the Trust's exposure to risk.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Risk Management (continued)

The key risks to the Trust and the actions being taken to mitigate those risks are:

- The impact on project delivery if cash-flow was to become problematic or sustainable long-term surpluses weren't achieved – *Cash-flow forecasts are reviewed regularly by the Chief Executive, Finance Director and Operations & Development Directors and are regularly presented to the Finance sub-committee. Business plans are prepared annually with detailed financial projections for approval by the Board. Monthly management accounts monitor performance against these projections and are reviewed by the Finance sub-committee.*
- Child protection issues – *Procedures are reviewed. Appropriate training is delivered.*

Trustees' responsibilities statement

The Trustees (who are also directors of Groundwork East for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- The Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on 13 July 2023 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'P. Hughes', with a long horizontal flourish extending to the right.

Patrick Hughes, Chair

GROUNDWORK EAST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST
FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of Groundwork East (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

GROUNDWORK EAST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Other information

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirements to prepare a Strategic Report.

GROUNDWORK EAST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Responsibilities of Trustees

As explained more fully in the Trustees' 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to breaches of GDPR and health & safety regulations, and we considered the extent to which non-compliance may have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2006.
- We evaluated the Trustees' incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate income or understate expenditure, and management bias in accounting estimates.
- Audit procedures performed by the engagement team included:
 - discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
 - evaluation of the operating effectiveness of management's controls designed to prevent and detect irregularities;
 - review correspondence with the Charity Commission for evidence of breaches; and
 - identifying and testing journal entries.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

GROUNDWORK EAST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

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


Joene Upshall (Senior Statutory Auditor)
for and on behalf of

Mercer & Hole
72 London Road
St Albans
Hertfordshire
AL1 1NS

13 July 2023

GROUNDWORK EAST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:					
Donations and legacies	2	449,000	26,220	475,220	65,296
Investments	3	-	4,321	4,321	1,822
Charitable activities	4	746,770	1,704,884	2,451,654	2,380,243
Other income	5	-	18,696	18,696	1,056
TOTAL INCOME		1,195,770	1,754,121	2,949,891	2,448,417
EXPENDITURE ON:					
Charitable activities	6,7	828,250	1,717,443	2,545,693	2,366,577
TOTAL EXPENDITURE		828,250	1,717,443	2,545,693	2,366,577
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		367,520	36,678	404,198	81,840
Transfers between Funds	16	(8,076)	8,076	-	-
NET INCOME / (EXPENDITURE)		359,444	44,754	404,198	81,840
NET MOVEMENT IN FUNDS		359,444	44,754	404,198	81,840
RECONCILIATION OF FUNDS:					
Total funds brought forwards		27,119	550,808	577,927	496,087
TOTAL FUNDS CARRIED FORWARD		386,563	595,562	982,125	577,927

The notes on pages 20 to 33 form part of these financial statements.

GROUNDWORK EAST
(A Company Limited by Guarantee)

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	£	2023 £	£	2022 £
FIXED ASSETS					
Tangible assets	12		419,554		62,095
CURRENT ASSETS					
Debtors	13	607,179		491,282	
Cash at bank and in hand		599,604		654,272	
		1,206,783		1,145,554	
CREDITORS: amounts falling due within one year	14	(619,212)		(604,722)	
NET CURRENT ASSETS			587,571		540,832
TOTAL ASSETS LESS CURRENT LIABILITIES			1,007,125		602,927
Provisions for Liabilities	15		(25,000)		(25,000)
NET ASSETS			982,125		577,927
CHARITY FUNDS					
Restricted funds	16		386,563		27,119
Unrestricted funds	16		595,562		550,808
TOTAL FUNDS			982,125		577,927

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 13 July 2023 and signed on their behalf by:



Patrick Hughes, Chair

The notes on pages 20 to 33 form part of these financial statements.

GROUNDWORK EAST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by / (used in) operating activities	18	335,953	(67,251)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends and interest		4,321	1,822
Proceeds from the sale of tangible fixed assets		-	-
Purchase of tangible fixed assets		(394,942)	(40,264)
NET CASH USED IN INVESTING ACTIVITIES		<u>(390,621)</u>	<u>(38,442)</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN YEAR		<u>(54,668)</u>	<u>(105,693)</u>
Cash and cash equivalents brought forward		654,272	759,965
CASH AND CASH EQUIVALENTS CARRIED FORWARD	19	<u>599,604</u>	<u>654,272</u>

The notes on pages 20 to 33 form part of these financial statements.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2022) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Groundwork East meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 GOING CONCERN

The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES (continued)

1.5 INCOME

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised and refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Project funding which is received in the form of grants is recognised as restricted income in the period in which it is received, unless it is subject to conditions in which case it is deferred until the conditions are met.

Project funding which is received in the form of contracts is recognised as unrestricted income. Where contract income has been received but the related services have not been performed by the year end, the balance is carried forward as deferred income.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.6 EXPENDITURE

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold building	over the term of the lease
Motor vehicles	25.0% straight line
Fixtures and fittings	20.0% straight line
Computer equipment	33.3% straight line

1.8 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.9 FINANCIAL INSTRUMENTS

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.10 DEBTORS

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

1.11 CASH AT BANK AND IN HAND

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES (continued)

1.12 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

The key estimates and assumptions made in these accounts are: depreciation is calculated on a straight-line basis, based on management's best estimate of the useful economic lives of assets on policies that can be seen above; and income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably on policies that can be seen above.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

2 INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	-	26,220	26,220	28,423
Grants	449,000	-	449,000	36,873
Total 2023	<u>449,000</u>	<u>26,220</u>	<u>475,220</u>	<u>65,296</u>
<i>Total 2022</i>	<i>33,333</i>	<i>31,963</i>	<i>65,296</i>	

Donations include a gift in kind of £24,000 (2022 - £24,000) by way of rent waived during the year.

3 INVESTMENT INCOME

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total Funds 2023 £	Total funds 2022 £
Bank interest 2023	-	4,321	4,321	1,822
<i>Total 2022</i>	<i>-</i>	<i>1,822</i>	<i>1,822</i>	

4 INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Central Government	7,500	146,341	153,841	95,302
Local Authorities	198,342	980,730	1,179,072	982,734
Education and Skills Funding Agency	13,716	53,394	67,110	55,719
Charitable Trusts and Foundations	215,854	109,480	325,334	249,454
Private Sector	55,505	208,150	263,655	406,509
Housing Associations	6,124	36,691	42,815	4,223
Groundwork UK	242,619	170,098	412,717	512,657
Landfill Communities Fund	-	-	-	-
National Lottery	7,110	-	7,110	73,645
Total 2023	<u>746,770</u>	<u>1,704,884</u>	<u>2,451,654</u>	<u>2,380,243</u>
<i>Total 2022</i>	<i>864,343</i>	<i>1,515,900</i>	<i>2,380,243</i>	

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

5 OTHER INCOME

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Profit on disposal of tangible fixed assets	-	-	-	-
Sundry income	-	18,696	18,696	1,056
Total 2023	<u>-</u>	<u>18,696</u>	<u>18,696</u>	<u>1,056</u>
<i>Total 2022</i>	-	<i>1,056</i>	<i>1,056</i>	

6 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Core projects	828,250	1,717,443	2,545,693	2,366,577
Total 2023	<u>828,250</u>	<u>1,717,443</u>	<u>2,545,693</u>	<u>2,366,577</u>
<i>Total 2022</i>	<i>895,692</i>	<i>1,470,885</i>	<i>2,366,577</i>	

7 ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support and governance costs 2023 £	Total 2023 £	Total 2022 £
Core projects	1,530,606	1,015,087	2,545,693	2,366,577
Total 2023	<u>1,530,606</u>	<u>1,015,087</u>	<u>2,545,693</u>	<u>2,366,577</u>
<i>Total 2022</i>	<i>1,440,066</i>	<i>926,511</i>	<i>2,366,577</i>	

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

8 DIRECT COSTS

	Core Projects 2023	Total 2023 £	Total 2022 £
Project costs	451,632	451,632	342,397
Wages and salaries	943,663	943,663	962,691
National insurance	76,998	76,998	72,241
Pension cost	58,313	58,313	62,737
Total 2023	1,530,606	1,530,606	1,440,066
<i>Total 2022</i>	<i>1,440,066</i>	<i>1,440,066</i>	

9 SUPPORT COSTS

	Governance 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Rent and rates	-	85,784	85,784	77,822
Communications	-	12,609	12,609	11,642
IT expenses	-	84,156	84,156	73,233
Training and recruitment	-	35,533	35,533	23,272
Marketing, publicity and advertising	-	29,454	29,454	21,419
Sundries	-	72,398	72,398	52,523
Insurances	-	26,942	26,942	27,056
Motor vehicle costs and mileage	-	21,343	21,343	15,606
Professional fees	7,750	19,517	27,267	38,429
Board expenses	1,655	-	1,655	4,226
Wages and salaries	14,458	493,211	507,669	481,232
National insurance	1,179	40,243	41,422	36,111
Pension cost	894	30,478	31,372	31,362
Depreciation	-	37,483	37,483	32,578
Loss on disposal of fixed asset investment	-	-	-	-
Total 2023	25,936	989,151	1,015,087	926,511
<i>Total 2022</i>	<i>28,468</i>	<i>898,043</i>	<i>926,511</i>	

10 NET INCOME

	2023 £	2022 £
This is stated after charging:		
Depreciation of tangible fixed assets owned by the charity	37,483	32,578
Auditor's remuneration – audit	7,750	7,500
Auditor's remuneration – other services	-	-

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

11 STAFF COSTS, INCLUDING COST OF KEY MANAGEMENT PERSONNEL AND TRUSTEE EXPENSES	2023	2022
	£	£
Staff costs were as follows:		
Wages and salaries	1,451,332	1,443,923
Social security costs	118,420	108,352
Other pension costs	89,685	94,099
	1,659,437	1,646,374

The average number of persons employed by the company during the year was 56 (2022 - 60) and the average monthly number of employees during the year expressed as full time equivalents was as follows:

	2023	2022
	No.	No.
Direct charitable	44	48
Marketing and communications	1	1
Governance	1	1
	46	50

The number of higher paid employees was:

	2023	2022
	No.	No.
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	0	1

The key management personnel of the charity comprise the Trustees, the Chief Executive, Finance Director and Operations & Development Directors. No Trustee received any remuneration or benefits in kind from the charity (2022 - £nil). The total employment benefits including employer pension contributions and employer national insurance contributions of key management personnel were £254,725 (2022 - £207,211).

During the year 1 Trustee (2022 - 3) received £397 reimbursement of expenses (2022 - £387).

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

12 TANGIBLE FIXED ASSETS

	Land and buildings £	Motor vehicles £	Furniture, fittings and equipment £	Total £
COST				
At 1 April 2022	138,320	161,391	97,759	397,470
Additions	372,297	-	22,645	394,942
Disposals	(138,320)	-	(8,872)	(147,192)
At 31 March 2023	<u>372,297</u>	<u>161,391</u>	<u>111,532</u>	<u>645,220</u>
DEPRECIATION				
At 1 April 2022	138,320	127,382	69,673	335,375
Charge for the year	10,637	11,918	14,928	37,483
On disposals	(138,320)	-	(8,872)	(147,192)
At 31 March 2023	<u>10,637</u>	<u>139,300</u>	<u>75,729</u>	<u>225,666</u>
NET BOOK VALUE				
At 31 March 2023	<u>361,660</u>	<u>22,091</u>	<u>35,803</u>	<u>419,554</u>
At 31 March 2022	<u>-</u>	<u>34,009</u>	<u>28,086</u>	<u>62,095</u>

13 DEBTORS

	2023 £	2022 £
Trade debtors	348,429	314,249
Other debtors and prepayments	74,501	67,478
Accrued income	184,249	109,555
	<u>607,179</u>	<u>491,282</u>

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	65,969	55,961
Other taxation and social security	155,600	141,734
Deferred income	336,858	356,669
Other creditors	3,677	2,069
Accruals	57,108	48,289
	619,212	604,722

DEFERRED INCOME: PROJECT INCOME

	£
Deferred income at 1 April 2022	356,669
Resources deferred during the year	318,120
Amounts released from previous years	(337,931)
Deferred income at 31 March 2023	336,858

15 PROVISIONS

	2023	2022
	£	£
At 1 April 2022 and 31 March 2023	25,000	25,000

A lease is held by Thames Water Utilities Limited and Groundwork East for the land and premises at Mill Green Sewage Treatment Works. A condition of the lease is that the site must be returned to its original state at the end of the lease remains in place and therefore a provision is in place for the costs of the works required.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

16 STATEMENT OF FUNDS – CURRENT YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in / (out) £	Balance at 31 March 2023 £
DESIGNATED FUNDS					
Future projects	10,000	-	-	(10,000)	-
Carbon reduction	10,000	-	-	5,900	15,900
GENERAL FUNDS					
General funds	530,808	1,754,121	(1,717,443)	12,176	579,662
Total unrestricted funds	550,808	1,754,121	(1,717,443)	8,076	595,562
RESTRICTED FUNDS					
New building	27,119	449,000	(45,128)	(44,428)	386,563
Project monies	-	746,770	(783,122)	36,352	-
Total restricted funds	27,119	1,195,770	(828,250)	(8,076)	386,563
Total of funds	577,927	2,949,891	(2,545,693)	-	982,125

The designated fund for future projects represents amounts set aside by the Trustees to explore future projects for which full external funding might not be available but the Trust would still wish proceed with the work. The opening balance of £10,000 was transferred back to general funds.

The designated fund for carbon reduction represents amounts set aside by the Trustees to explore initiatives for the charity to reduce its carbon footprint. During the year, £5,900 was transferred from general funds to increase the opening balance of £10,000 to £15,900, an amount that the Trustees believe appropriate based on costings of the initial carbon reduction initiatives identified.

The restricted fund for the new building represents funds received as grants for the construction of a new building at Mill Green, Hatfield. During the year, the remainder of the grant was received and the building was constructed. £44,428 was transferred from the restricted fund to general funds representing costs from previous years relating to the building which can be applied against the restricted grant received in the year.

The restricted fund for project monies represents amounts received as grants for specific project activities in the period. The transfer from general funds to restricted project monies represents clearing of restricted projects where expenditure on the project has exceeded income in the period. The value of this transfer was £36,352.

A net total of £12,176 has therefore been transferred in to general funds: £10,000 transferred in from the future projects designated fund, £5,900 designated to carbon reduction, £44,428 transferred in from the new building restricted fund and £36,352 transferred out to project monies.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

16 STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS – PRIOR YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in / (out) £	Balance at 31 March 2022 £
DESIGNATED FUNDS					
New building	9,604	-	(12,370)	2,766	-
Future projects	-	-	-	10,000	10,000
Carbon reduction	-	-	-	10,000	10,000
GENERAL FUNDS					
General funds	486,483	1,550,741	(1,458,515)	(47,901)	530,808
Total unrestricted funds	496,087	1,550,741	(1,470,885)	(25,135)	550,808
RESTRICTED FUNDS					
New building	-	31,000	(3,881)	-	27,119
Project monies	-	866,676	(891,811)	25,135	-
Total restricted funds	-	897,676	(895,692)	25,135	27,119
Total of funds	496,087	2,448,417	(2,366,577)	-	577,927

The designated fund for the new building represents amounts set aside by the Trustees to explore the construction of a new building for the charity.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	379,770	39,784	419,554
Current assets	6,793	1,199,990	1,206,783
Creditors due within one year	-	(619,212)	(619,212)
Provisions for liabilities and charges	-	(25,000)	(25,000)
	386,563	595,562	982,125

ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	6,660	55,435	62,095
Current assets	20,459	1,125,095	1,145,554
Creditors due within one year	-	(604,722)	(604,722)
Provisions for liabilities and charges	-	(25,000)	(25,000)
	27,119	550,808	577,927

18 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income / (expenditure) for the year (as per Statement of Financial Activities)	404,198	81,840
Adjustment for:		
Depreciation charges	37,483	32,578
Dividends, interest and rents from investments	(4,321)	(1,822)
(Profit) on the sale of tangible fixed assets	-	-
(Increase) in debtors	(115,897)	(132,045)
Increase / (Decrease) in creditors	14,490	(47,802)
Net cash provided by / (used in) operating activities	335,953	(67,251)

19 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash in hand	599,604	654,272

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

20 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £89,685 (2022 - £94,099). Contributions totalling £12,460 (2022 - £12,141) were payable to the fund at the balance sheet date and are included in creditors.

21 OPERATING LEASE COMMITMENTS

At 31 March 2023 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2023	2022
	£	£
Amounts payable:		
Within 1 year	38,589	22,004
Between 1 and 5 years	1,435	10,145
	40,024	32,149

22 RELATED PARTY TRANSACTIONS

Some of the Directors of the Trust are also Directors of other companies, trustees of other organisations, employees of other companies or members of Local Authorities with which the Trust has material transactions. However, none of these Directors has a controlling interest or a material beneficial interest in these entities. In the Directors' opinion therefore, they do not fall within the definition of related parties given in the Charities SORP (FRS102) and no separate disclosure of the transactions between the Trust and these entities, which were carried out under normal commercial terms, is required. If one of these Directors has a significant influence in these entities, then transactions between the Trust and these entities are disclosed. During the year, Groundwork East received £3,566 (2022 - £nil) from Ealing Community Transport, a charity in which a Director of Groundwork East has significant influence, for project work on carbon reduction for Ealing Community Transport.

The Trust is related to Groundwork UK, a national umbrella organisation. During the year, Groundwork East received £417,897 (2022 - £473,013) from Groundwork UK as funding for projects and paid £10,115 (2022 - £9,076) to Groundwork UK in membership fees and shared email services. As at 31 March 2023, £40,088 was due from Groundwork UK, included in trade debtors (31 March 2022 - £58,065), £38 was due to Groundwork UK, included in trade creditors (31 March 2022 - nil).

GROUNDWORK EAST

England & Wales - Charity number 293141

Accounts

Company number: 01944186
Charity number: 293141

GROUNDWORK EAST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

GROUNDWORK EAST
(A Company Limited by Guarantee)

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GROUNDWORK EAST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY
FOR THE YEAR ENDED 31 MARCH 2022

Trustees	Patrick Hughes, Chair Phillip Bibby ¹ Rebecca Britton ⁴ John Barrington Chevallier Guild Richard Powell ² Julie Smith ³ Mark Hubbocks ¹ John Humpston ⁴ Lisa Goldsmith ³ Temi Awofala ²
	¹ Finance sub-committee ² Quality & Compliance sub-committee ³ Infrastructure sub-committee ⁴ Business Development sub-committee
Company Registered Number	01944186
Charity Registered Number	293141
Registered Office	Mill Green, Hatfield, Hertfordshire, AL9 5PE
Company Secretary	Michael Wood
Executive Director	James Newell
Operations Director	Gill Taylor
Finance Director	Michael Wood
Independent Auditors	Mercer & Hole, 72 London Road, St Albans, Hertfordshire, AL1 1NS
Bankers	National Westminster Bank Plc, 104 Fore Street, Hertford, Hertfordshire, SG14 1YY Aldermore Bank Plc, 1 st Floor, Block B, Western House, Lynch Wood, Peterborough, PE2 6FZ The Charity Bank Ltd, Fosse House, 182 High Street, Tonbridge, TN9 1BE CCLA Fund Managers Ltd, Senator House, 85 Queen Victoria Street, London, EC4V 4ET Nationwide Building Society, Nationwide House, Pipers Way, Swindon, SN38 1NW Virgin Money Plc, Jubilee House, Gosforth, Newcastle Upon Tyne, NE3 4PL Metro Bank Plc, One Southampton Row, London, WC1B 5HA
Solicitors	Taylor Vinters LLP, Merlin Place, Milton Road, Cambridge, CB4 0BD

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Groundwork East (the company) for the year ended 31 March 2022. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

Mission

Groundwork is the community charity with a green heart. We want places to look better, streets to be safer and outside areas to be green and beautiful. We want people of all ages to be able to do things together to make the best of where they live. We want to improve job prospects by offering training. We want to show people how they can make their homes more efficient places to run and support businesses to deliver on their corporate social responsibility and sustainability agendas.

We tackle five main social issues, focusing our resources on areas of high deprivation but not exclusively so:

- Social isolation and fragmented communities;
- Poor health and well-being;
- Dependence on limited prospects;
- Unsustainable living and working; and
- Lack of safety and security.

We work towards a vision 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.

Creating those sustainable communities means developing initiatives which cut across economics, social issues and the environment. Our work is diverse, but all of it helps to achieve our vision.

Strategies for achieving objectives

The Groundwork approach is to start local, put the right tools in people's hands, engage with everyone who has a stake in a place and address as many issues as possible with the same investment.

We create real change. That means carrying out work locally, regionally and nationally that:

- Builds people's skills and improves job prospects;
- Redesigns our neglected open spaces, making it fit for purpose;
- Helps people make their own decisions about their area;
- Motivates and develops our young people; and
- Promotes greener ways of living and working.

We achieve our vision by working together with passionate individuals, proactive public services and innovative parts of the private sector.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Activities for achieving objectives

Groundwork East (the Trust) is a member of the national Groundwork Federation. The Federation is coordinated by Groundwork UK. The Trust benefits from the national network through the Federation's ability to build partnerships, fundraise, market Groundwork and manage Groundwork's relationship with central Government.

The national Groundwork Federation aims to achieve the following targets, as outlined in their new national strategy, by 2023:

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

Groundwork East aims to achieve the following:

- Mobilise people of all ages to give their time to social action in their local communities;
- Inspire and support young people to learn, achieve and develop as more active citizens;
- Help people to progress in education, access training or start work.
- Provide advice, funding and practical support to community groups;
- Improve and help look after green spaces;
- Help people save money on their bills or stay warm and well in their homes; and
- Support businesses to reduce their impact on the environment or increase their commitment to the community.

Groundwork East's achievements in 2021/22 include:

- Delivered 245 distinct projects (2020/21 - 87);
- Helped 735 young people to learn and achieve (2020/21 - 768);
- Supported young people to achieve 1,094 positive outcomes (2020/21 - 947);
- Supported 70 people into education, training or employment (2020/21 - 84);
- Supported 155 community organisations (2020/21 - 79);
- Improved 59 public spaces, which benefitted 79,835 people (2020/21 23 and 5,120);
- Improved 134,019 m² of land (2020/21 - 131,702 m²);
- Worked with 108 schools (2020/21 - 70);
- Supported 302 businesses (2020/21 - 203).

Main activities undertaken to further the Charity's purposes for public benefit

Groundwork East operates within the Objects described within the Memorandum and Articles of Association, which outline in detail the type of public benefit sought. Public benefit has been achieved in all thematic areas described within the activity review for the current year. In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Volunteers

The Trust has worked alongside 1,077 (2020/21 – 269) volunteers. Many volunteers engage with the Trust through our training programmes and via our work with youth groups. Volunteers assist with the planning and design of projects through local steering groups and continue to be involved with ongoing projects within their area. The Trust is well aware that assisting volunteers to claim ownership of projects helps to develop a sense of community pride and greatly enhances sustainability.

The Directors would like to record their thanks to the many volunteers who supported / engaged with Trust activities during the year.

ACHIEVEMENTS AND PERFORMANCE

Review of Activities

Groundwork East is a successful, highly regarded and mature Trust which was established in 1985. Every Groundwork Trust is rooted in the area it serves. Each Trust's programmes and services are tailored to the needs of partners and communities in their locality. When all that local activity is added together, it becomes a major national force for change. Groundwork Hertfordshire, Groundwork Luton & Bedfordshire, Groundwork Cambridgeshire & Peterborough, Groundwork Essex, Groundwork Suffolk and Groundwork Norfolk are Groundwork East's locally branded operations in those areas. The year 2021/22 once again saw the Trust's inspirational team deliver a programme of impactful, high profile projects across its operational area.

Project delivery in detail

Improving people's prospects

As we rebuild following the pandemic, this continues to be an important area of work currently being delivered in Hertfordshire, Bedfordshire, Cambridgeshire and Essex. Programmes include Green Team and Green Skills: offering a range of support from employment skills to health and well-being. Support from local authorities, colleges, housing associations and the private sector is ensuring expansion of delivery and ever-improving outcomes for those involved. In tandem with improving people's prospects, Groundwork projects in this theme also tend to improve a public outside space. This greatly increases the efficiency and impact of work delivered, increasing the social return on investment.

Another expanding area of delivery involves working with parents and their young children helping to build family relationships and transferable skills through adventurous outdoor play, food growing and healthy eating initiatives. Our *Wellies in the Woods* early years course, for example, has attracted significant funding and continues to grow. We are excited to be leading on a national expansion of this programme and are growing delivery in partnership with other Groundwork Trusts.

We continue to deliver our 5-year youth services contract with Central Bedfordshire Council; providing a range of youth activities to support the needs of young people in each locality within the authority, which also includes the Independent Visitors service for those in care. The service offers general youth club provision, targeted clubs, targeted workshops and 121 support. During the pandemic, a number of our youth support products moved online, allowing delivery to continue despite lockdowns. Our holistic approach to working with young people means that programmes are tailored to the specific needs of the people we work with. Young people may now refer themselves to the service; no longer requiring a parent or professional to do this. There are no thresholds, so no matter what the level of need is, Groundwork can offer support. The offer aims to be as broad as possible – supporting the full spectrum of need, from those in crisis to those who want to improve their skills, meet new people or develop their own project.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Project delivery in detail (continued)

Creating better places

This theme of work was again greatly enhanced by the management of the Tesco Bags of Help programme which has delivered a vast number of local environmental improvement projects and which serves to raise Groundwork's profile across the entire Trust operating area.

In addition, we have achieved much in partnership with Govia Thameslink Railway Ltd supporting the deployment of their Passenger Benefit Fund. A comprehensive landscape-based station improvement drive has improved outside spaces for commuters and their communities that concluded in the year.

The Trust's long-standing partnership with North Herts District Council continues to deliver a range of exciting outside space improvement projects in that area.

Excellent support from the John Laing Charitable Trust, across Groundwork East's operating area, continues and demand for Groundwork's expertise in enabling school grounds improvements (often delivered through our training activity) remains buoyant.

The Trust expanded its community engagement activities linked to rivers which included the hugely successful "Yellow Fish" programme working with businesses, community groups and schools to reduce the amount of surface water pollution that ends up in local rivers. In furtherance of our long-standing relationship with the Environment Agency the work was expanded along the River Waveney and into Kings Lynn.

Promoting greener living and working

Our Sustainable Business Services offering has grown during this period, with key strategic hires being made to increase capacity in response to demand. We have seen particular growth in carbon management consultancy including net zero support and development of our carbon charter accreditation scheme and sustainable business services network. In addition, we have become equipped to deliver an entry-level 'Carbon Literacy' training qualification and are enjoying success delivering this to the full breadth of stakeholders in the East of England. For companies it is a fantastic 'entry-level' product that kickstarts their sustainability journey.

The Business Energy Efficiency (BEE) Anglia programme had its final full year as the six-year programme draws to a successful close. The programme has now awarded over £1.6mn in grant funding unlocking over £4mn in match funding towards this and realising over 3,000 tCO₂e savings.

The Luton Food Poverty Alliance (led by Groundwork East) continues to attract interested organisations and individuals who want to collaborate in order to alleviate poverty issues.

We are also pleased to have expanded our adult community learning portfolio across the region. This work, building on the success achieved with Cambs Skills and HAFLS, is now poised to grow in future periods.

We have continued to work closely with utility companies such as Anglian Water successfully moving our domestic water saving engagement work to operate remotely during COVID-19.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Strategic objectives

The Trust set out the following strategic objectives in its 2021/22 Business Plan – with progress noted in italics:

- Develop a commercial strategy for our consultancy services, including SBS, that is based on maximising revenue/margin, increasing client retention/value and futureproofing:
 - *Growth of our Sustainable Business Services consulting products has continued. We have grown our portfolio to include new training options, including Carbon Literacy – increasing the breadth of our offering.*
- Develop a viable fundraising strategy that exploits opportunities to generate unrestricted income for Groundwork East and the Federation more broadly.
 - *Groundwork East has been an active supporter of Groundwork UK in developing a federation-wide approach to unrestricted income-generation. This piece of work is ongoing and seeks to build on the success we had in 20-21.*
- Commit to be an expert in the regions we serve and act on the information we generate.
 - *Our Business Development team has produced analytical frameworks to capture information pertaining to needs within the counties we serve. These active documents form part of our planning processes, and will in time drive our thought-leadership strategy.*
- Continue to deliver work we do, our 'business as usual' with a focus on maximising the value of the relationships we have.
 - *We have implemented a CRM database in order to record information and communicate externally with a greater impact.*
- Ensuring our Governance Instruments are fit for purpose.
 - *Our Board Governance Review has led to a substantial restructure of our governance – bringing in new experience, views and skills. Within a new sub-committee structure, we are better equipped to interrogate challenges and act on opportunities.*
- Developing stronger impact measurement processes and narratives.
 - *As with the fundraising objective, Groundwork East has been an active supporter of Groundwork UK in developing a federation-wide approach to both impact measurement and impact articulation. We are excited by what can be achieved working together and will champion a harmonised approach that helps us tell the whole story around the social value we create.*

FINANCIAL REVIEW

Review of financial activities

The result for the year is shown in the statement of financial activities on page 17 as a net income of £81,840, following a net expenditure last year of £113,111. We consider this to be a satisfactory outcome.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Reserves Policy

The Trustees have agreed a reserves policy whereby the charity should aim to hold sufficient reserves (unrestricted funds not represented by fixed assets or designated funds held to cover future planned expenditure) to meet estimated closure costs. This is currently calculated at £464,781.

Actual total reserves were £577,927, of which £27,119 were restricted reserves not available for the general purposes of the Trust. Of the remaining £550,808 unrestricted reserves, £20,000 has been designated by the Trustees for specific purposes. The unrestricted general funds were therefore £530,808, of which £62,095 is represented by fixed assets.

The Trust's available reserves were therefore £468,713 which is in line with this policy. The Trust has remained in this stable position in recent years and any small excess or shortage in available reserves has only been short term.

The Board has reviewed the designated funds and is satisfied that they are consistent with the needs of the Trust. This policy is reviewed annually by the Board through the Finance sub-committee.

Investment Policy and Performance

The Trustee's policy is to retain any short-term surplus funds, including designated and restricted funds, in interest-bearing bank accounts. The Trust is mindful of the Financial Services Compensation Scheme limit when investing outside of our core banking relationship. Investment performance was satisfactory.

Fundraising

Groundwork East does not engage in public fundraising. During 2021/22 the Trust did not engage any external, professional fundraisers. Projects are funded through formal bids, tenders and contracts. Donations totalled £28,423 in 2021/22 which included a gift in kind of £24,000 by way of waived rent.

Funding sources

The Directors would like to thank the many organisations who have supported the Trust's work. Groundwork East received funding for projects from Groundwork UK, other charities, local authorities, central government, private sector companies, housing associations, town and parish councils and schools throughout the East of England.

We are thankful to all of our funders and partners that made 2021/22 so successful. A selection of these are as follows:

The various Community Foundations across our geography; the Stability Fund & Luton Citizens Fund (BLCF); the National Lottery Communities Fund and several Big Local Communities; Govia Thameslink Railway Passenger Benefit Fund (Station Improvement Programme); the John Laing Charitable Trust; the Christopher Laing Charitable Trust; the Sylvia Adams Trust; Cambridgeshire County Council (Talking Together in Cambridgeshire); Suffolk Coast & Heaths AONB Sustainable Development Fund; Tesco Bags of Help, the Firethorn Trust, Globe Scaffolding, Braintree District Council, Haverhill Parish Council, West Norfolk Employment Fund; Urban & Civic; Cadent Foundation; the Forward Trust and many others.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

PLANS FOR FUTURE PERIODS

As an organisation delivering in local communities but with regional / national scale and strategic stake-holder links, Groundwork is well placed for further delivery of its charitable mission. In order to respond to future opportunities Groundwork East will be required to change and improve in three ways:

- By improving our ability to evidence the impact of our work on those who are most disadvantaged by demonstrating that our interventions lead to changed behaviours and improved resilience – an external impact consultant has been commissioned and change will be initiated in 2022/23.
- By consolidating our structures and improving our systems so that we maximise the percentage of our income spent on front-line delivery, enhancing cash-flow, maximising our development resource and building the scale and specialisms needed to provide high quality services in more communities.
- By seeking out opportunities to share services, specialisms, systems and procurement around the Groundwork Federation – both to increase income generation and increase social value creation.

Summary

2021/22 was a highly successful year for Groundwork East and the closing financial position indicates that we have not only survived during the pandemic, but thrived. A backlog of work accumulated due to the restrictive nature of lockdowns so 21/22 is characterised as a very busy year in terms of outcomes.

We made real progress on some key infrastructure upgrades in the year – starting on the new office building project at Mill Green, and investing in new financial and CRM software. Efforts to diversify our work are continuing to show success and we are looking forward to benefitting from Groundwork UK's work to improve fundraising and impact measurement across the Federation.

In 20/21 we conducted a full governance review and in 21/22 have acted on the findings – making key board-level hires including a new chair of trustees. In addition, we have revised the sub-committee model and refreshed the terms of reference to improve meeting effectiveness.

The rising cost-of-living, Brexit and Coronavirus still impacts the political and economic environment we are in, which presents planning challenges for any organisation with strong links to the public sector. As such, our plans for the future are based on continuing to strengthen our relationships in the public sector, while also looking more actively for opportunities within the private sector – be they to deliver services or solicit philanthropy. Clarity around our messaging, particularly as we are a diverse organisation, will be key in helping us build new relationships.

We have been a valued community asset since 1985 and are redoubling our efforts in 2022/23 to meet increasing needs from all sections of society.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The company is registered as a charitable company limited by guarantee. The company is constituted under a Memorandum of Association and is a registered charity (number 293141).

Reference and administrative details for the Charity are provided on page 1 of the financial statements.

Method of Appointment and Election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Hertfordshire County Council may appoint up to two Trustees, one of whom shall be an elected member of the County Council. Trustees are recruited by advertisement and contacts with partner organisations.

The Directors, who are also Trustees of the charity, who served during the year, were:

Patrick Hughes (appointed 7 July 2021, appointed Chair 22 September 2021)

Derrick Ashley (resigned 17 May 2021)

Philip Bibby

Rebecca Britton

John Barrington Chevallier Guild

Richard Powell (appointed Vice Chair 7 July 2021)

Michael Master (Chair until resignation from the Board 22 September 2021)

Julie Smith

Mark Hubbocks

John Humpston (appointed 7 July 2021)

Lisa Goldsmith (appointed 7 July 2021)

Temi Awofala (appointed 7 July 2021)

Trustees serve for a period of three years from the date of their appointment. On expiration of their term of office they will be eligible for reappointment for a further three-year term by majority decision of the remaining Trustees. If a Trustee has served two consecutive terms they must retire from office at the end of their second term of office and will only be eligible for reappointment if at least one year has elapsed since their retirement. The Trustees have the power by a 75 per cent majority of those present and entitled to vote at the meeting to extend a Trustee's period of office (and shall in their absolute discretion decide the period of extension) and to waive the requirement for one year to elapse before a Trustee may be eligible for reappointment.

New directors are provided with structured induction training at the Trust offices. Other training needs are identified on an ongoing basis.

Professional Indemnity insurance is purchased at a cost to the charity to protect the charity and its Trustees.

All Trustees give of their time freely and no director received remuneration in the year. Details of Trustees' expenses are disclosed in note 11 to the accounts.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Organisational Structure and Decision Making

The Directors meet four times per year to review strategy and performance and to set operating plans and budgets. Four sub-committees also meet four times per year to deal with functions delegated by the Board of Directors: the Finance sub-committee; the Quality & Compliance sub-committee; the Infrastructure sub-committee and the Business Development sub-committee.

The day to day running of the Trust is dealt with by the Executive Director, James Newell, the Operations Director, Gill Taylor and the Finance Director, Michael Wood, who refer to the Board for guidance as and when required.

The Trust operates a salary scale. The pay of all staff is reviewed annually. The Finance sub-committee agrees the terms of the review on behalf of the Board. The Executive Director's pay is reviewed by the Chair in liaison with the Finance sub-committee. The pay of the other members of the Leadership Team (Operations Director, Finance Director, HR Manager and Operations Managers) is agreed by the Finance sub-committee following recommendations from the Executive Director.

Employees are consulted in a variety of ways through the following structures: a Staff Consultation group, monthly one to one meetings, regular team meetings, an annual staff survey and an annual staff conference. Through these structures, consultation around Trust development and policy changes is undertaken allowing all staff an active role in formulating the Trust's future. The compilation of the Trust business plan is contributed to by a wide range of staff.

Related Party Relationships

Details of related party transactions are given in note 22 in the financial statements.

Risk Management

The Finance sub-committee reviews a formal risk register at each meeting as a standard agenda item. Risks are scored from 1 to 6 in terms of "probability" and from 1 to 6 in terms of "impact". The two scores are then multiplied to achieve a "priority" score. The Finance sub-committee reviews progress against agreed actions, monitors changes in internal / external circumstances and is vigilant in terms of new risks. The Chair of the Finance sub-committee reports any significant risk issues at Board meetings.

Risk assessment of projects takes place under the management of the Operations Director. A formal checklist is used on site for all projects and risk assessments accompany all tenders. Projects considered to be higher risk are referred to the Leadership Team or the Finance sub-committee / Board under a standing agenda item.

The Executive Director is expected to report to the Board on any significant new or increased risk that falls outside the parameters of these processes. The Board is satisfied that systems are in place to manage the Trust's exposure to risk.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Risk Management (continued)

The key risks to the Trust and the actions being taken to mitigate those risks are:

- The impact on project delivery if cash-flow was to become problematic or sustainable long-term surpluses weren't achieved – *Cash-flow forecasts are reviewed regularly by the Executive Director, Operations Director and Finance Director and are regularly presented to the Finance sub-committee. Business plans are prepared annually with detailed financial projections for approval by the Board. Monthly management accounts monitor performance against these projections and are reviewed by the Finance sub-committee.*
- Child protection issues – *Procedures are reviewed. Appropriate training is delivered.*
- Unsuitable or unavailable premises impacting upon project delivery and staff morale – *The Trust has designated funds (together with a funding commitment from a charitable Trust) for a new building at Mill Green (Hertfordshire) and has achieved planning permission.*

Trustees' responsibilities statement

The Trustees (who are also directors of Groundwork East for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- The Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on 7 July 2022 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'P. Hughes', with a long horizontal flourish extending to the right.

Patrick Hughes, Chair

GROUNDWORK EAST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST
FOR THE YEAR ENDED 31 MARCH 2022**

Opinion

We have audited the financial statements of Groundwork East (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

GROUNDWORK EAST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Other information

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirements to prepare a Strategic Report.

GROUNDWORK EAST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Responsibilities of Trustees

As explained more fully in the Trustees' 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to breaches of GDPR and health & safety regulations, and we considered the extent to which non-compliance may have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2006.
- We evaluated the Trustees' incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate income or understate expenditure, and management bias in accounting estimates.
- Audit procedures performed by the engagement team included:
 - discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
 - evaluation of the operating effectiveness of management's controls designed to prevent and detect irregularities;
 - review correspondence with the Charity Commission for evidence of breaches; and
 - identifying and testing journal entries.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

GROUNDWORK EAST
(A Company Limited by Guarantee)

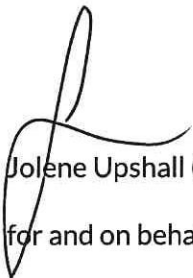
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

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



Jolene Upshall (Senior Statutory Auditor)

for and on behalf of

Mercer & Hole
72 London Road
St Albans
Hertfordshire
AL1 1NS

7 July 2022

GROUNDWORK EAST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOME FROM:					
Donations and legacies	2	33,333	31,963	65,296	355,798
Investments	3	-	1,822	1,822	1,796
Charitable activities	4	864,343	1,515,900	2,380,243	1,591,953
Other income	5	-	1,056	1,056	2,366
TOTAL INCOME		897,676	1,550,741	2,448,417	1,951,913
EXPENDITURE ON:					
Charitable activities	6,7	895,692	1,470,885	2,366,577	2,065,024
TOTAL EXPENDITURE		895,692	1,470,885	2,366,577	2,065,024
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		1,984	79,856	81,840	(113,111)
Transfers between Funds	16	25,135	(25,135)	-	-
NET INCOME / (EXPENDITURE)		27,119	54,721	81,840	(113,111)
NET MOVEMENT IN FUNDS		27,119	54,721	81,840	(113,111)
RECONCILIATION OF FUNDS:					
Total funds brought forwards		-	496,087	496,087	609,198
TOTAL FUNDS CARRIED FORWARD		27,119	550,808	577,927	496,087

The notes on pages 20 to 33 form part of these financial statements.

GROUNDWORK EAST
(A Company Limited by Guarantee)

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	£	2022 £	£	2021 £
FIXED ASSETS					
Tangible assets	12		62,095		54,409
CURRENT ASSETS					
Debtors	13	491,282		359,237	
Cash at bank and in hand		654,272		759,965	
		<u>1,145,554</u>		<u>1,119,202</u>	
CREDITORS: amounts falling due within one year	14	(604,722)		(652,524)	
NET CURRENT ASSETS			540,832		466,678
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>602,927</u>		<u>521,087</u>
Provisions for Liabilities	15		(25,000)		(25,000)
NET ASSETS			<u><u>577,927</u></u>		<u><u>496,087</u></u>
CHARITY FUNDS					
Restricted funds	16		27,119		-
Unrestricted funds	16		550,808		496,087
TOTAL FUNDS			<u><u>577,927</u></u>		<u><u>496,087</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 7 July 2022 and signed on their behalf by:



Patrick Hughes, Chair

The notes on pages 20 to 33 form part of these financial statements.

GROUNDWORK EAST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by / (used in) operating activities	18	(67,251)	116,757
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends and interest		1,822	1,796
Proceeds from the sale of tangible fixed assets		-	1,700
Purchase of tangible fixed assets		(40,264)	(27,690)
NET CASH USED IN INVESTING ACTIVITIES		<u>(38,442)</u>	<u>(24,194)</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN YEAR		<u>(105,693)</u>	<u>92,563</u>
Cash and cash equivalents brought forward		759,965	667,402
CASH AND CASH EQUIVALENTS CARRIED FORWARD	19	<u><u>654,272</u></u>	<u><u>759,965</u></u>

The notes on pages 20 to 33 form part of these financial statements.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Groundwork East meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 GOING CONCERN

The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

1 ACCOUNTING POLICIES (continued)

1.5 INCOME

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised and refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Project funding which is received in the form of grants is recognised as restricted income in the period in which it is received, unless it is subject to conditions in which case it is deferred until the conditions are met.

Project funding which is received in the form of contracts is recognised as unrestricted income. Where contract income has been received but the related services have not been performed by the year end, the balance is carried forward as deferred income.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.6 EXPENDITURE

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

1 ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	not depreciated
Temporary building	33.3% straight line
Motor vehicles	25.0% straight line
Fixtures and fittings	20.0% straight line
Computer equipment	33.3% straight line

1.8 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.9 FINANCIAL INSTRUMENTS

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.10 DEBTORS

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

1.11 CASH AT BANK AND IN HAND

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

1 ACCOUNTING POLICIES (continued)

1.12 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATEION
UNCERTAINTY

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

The key estimates and assumptions made in these accounts are: depreciation is calculated on a straight-line basis, based on management's best estimate of the useful economic lives of assets on policies that can be seen above; and income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably on policies that can be seen above.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

2 INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	2,333	26,090	28,423	54,560
Grants	31,000	5,873	36,873	301,238
Total 2022	33,333	31,963	65,296	355,798
<i>Total 2021</i>	-	<i>355,798</i>	<i>355,798</i>	

Donations include a gift in kind of £24,000 (2021 - £24,000) by way of rent waived during the year.

3 INVESTMENT INCOME

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total Funds 2022 £	Total funds 2021 £
Bank interest	-	1,822	1,822	1,796
<i>Total 2021</i>	<i>5</i>	<i>1,791</i>	<i>1,796</i>	

4 INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Central Government	21,900	73,402	95,302	85,607
Local Authorities	182,055	800,679	982,734	780,030
Education and Skills Funding Agency	32,559	23,160	55,719	58,081
Charitable Trusts and Foundations	171,708	77,746	249,454	83,929
Private Sector	32,645	373,864	406,509	249,859
Housing Associations	-	4,223	4,223	24,392
Groundwork UK	349,831	162,826	512,657	245,926
Landfill Communities Fund	-	-	-	-
National Lottery	73,645	-	73,645	64,129
Total 2022	864,343	1,515,900	2,380,243	1,591,953
<i>Total 2021</i>	<i>375,823</i>	<i>1,216,130</i>	<i>1,591,953</i>	

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

5 OTHER INCOME

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Profit on disposal of tangible fixed assets	-	-	-	1,700
Sundry income	-	1,056	1,056	666
Total 2022	-	1,056	1,056	2,366
<i>Total 2021</i>	-	2,366	2,366	

6 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Core projects	895,692	1,470,885	2,366,577	2,025,738
Landfill	-	-	-	39,286
Total 2022	895,692	1,470,885	2,366,577	2,065,024
<i>Total 2021</i>	422,932	1,642,092	2,065,024	

7 ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support and governance costs 2022 £	Total 2022 £	Total 2021 £
Core projects	1,440,066	926,511	2,366,577	2,025,738
Landfill	-	-	-	39,286
Total 2022	1,440,066	926,511	2,366,577	2,065,024
<i>Total 2021</i>	1,215,054	849,970	2,065,024	

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

8 DIRECT COSTS

	Core Projects 2022 £	Landfill Costs 2022 £	Total 2022 £	Total 2021 £
Project costs	342,397	-	342,397	217,391
Wages and salaries	962,691	-	962,691	872,810
National insurance	62,737	-	72,241	64,390
Pension cost	72,241	-	62,737	60,463
Total 2022	1,440,066	-	1,440,066	1,215,054
<i>Total 2021</i>	<i>1,175,768</i>	<i>39,286</i>	<i>1,215,054</i>	

9 SUPPORT COSTS

	Governance 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Rent and rates	-	77,822	77,822	70,193
Communications	-	11,642	11,642	9,952
IT expenses	-	73,233	73,233	81,482
Training and recruitment	-	23,272	23,272	10,680
Marketing, publicity and advertising	-	21,419	21,419	2,419
Sundries	-	52,523	52,523	54,327
Insurances	-	27,056	27,056	27,945
Motor vehicle costs and mileage	-	15,606	15,606	10,505
Professional fees	7,500	30,929	38,429	47,438
Board expenses	4,226	-	4,226	150
Wages and salaries	14,683	466,549	481,232	443,553
National insurance	1,102	35,009	36,111	32,722
Pension cost	957	30,405	31,362	30,727
Depreciation	-	32,578	32,578	27,777
Loss on disposal of fixed asset investment	-	-	-	100
Total 2022	28,468	898,043	926,511	849,970
<i>Total 2021</i>	<i>22,113</i>	<i>827,857</i>	<i>849,970</i>	

10 NET INCOME

	2022 £	2021 £
This is stated after charging:		
Depreciation of tangible fixed assets owned by the charity	32,578	27,777
Auditor's remuneration – audit	7,500	7,500
Auditor's remuneration – other services	-	-

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

11 STAFF COSTS, INCLUDING COST OF KEY MANAGEMENT PERSONNEL AND TRUSTEE EXPENSES

	2022	2021
	£	£
Staff costs were as follows:		
Wages and salaries	1,443,923	1,316,363
Social security costs	108,352	97,112
Other pension costs	94,099	91,190
	1,646,374	1,504,665

The average number of persons employed by the company during the year was 60 (2021 – 55) and the average monthly number of employees during the year expressed as full time equivalents was as follows:

	2022	2021
	No.	No.
Direct charitable	48	45
Marketing and communications	1	1
Governance	1	1
	50	47

The number of higher paid employees was:

	2022	2021
	No.	No.
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0

The key management personnel of the charity comprise the Trustees, the Executive Director, Operations Director and Finance Director. No Trustee received any remuneration or benefits in kind from the charity (2021 - £nil). The total employment benefits including employer pension contributions and employer national insurance contributions of key management personnel were £207,211 (2021 - £177,774).

During the year 3 Trustees (2021 - 0) received £387 reimbursement of expenses (2021 - £0).

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

12 TANGIBLE FIXED ASSETS

	Land and buildings £	Motor vehicles £	Furniture, fittings and equipment £	Total £
COST				
At 1 April 2021	138,320	135,121	95,332	368,773
Additions	-	26,270	13,994	40,264
Disposals	-	-	(11,567)	(11,567)
At 31 March 2022	<u>138,320</u>	<u>161,391</u>	<u>97,759</u>	<u>397,470</u>
DEPRECIATION				
At 1 April 2021	138,320	111,724	64,320	314,364
Charge for the year	-	15,658	16,920	32,578
On disposals	-	-	(11,567)	(11,567)
At 31 March 2022	<u>138,320</u>	<u>127,382</u>	<u>69,673</u>	<u>335,375</u>
NET BOOK VALUE				
At 31 March 2022	<u>-</u>	<u>34,009</u>	<u>28,086</u>	<u>62,095</u>
At 31 March 2021	<u>-</u>	<u>23,397</u>	<u>31,012</u>	<u>54,409</u>

13 DEBTORS

	2022 £	2021 £
Trade debtors	314,249	209,648
Other debtors and prepayments	67,478	60,426
Accrued income	109,555	89,163
	<u>491,282</u>	<u>359,237</u>

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022 £	2021 £
Trade creditors	55,961	86,585
Other taxation and social security	141,734	147,717
Deferred income	356,669	374,247
Other creditors	2,069	184
Accruals	48,289	43,791
	604,722	652,524

DEFERRED INCOME: PROJECT INCOME

	£
Deferred income at 1 April 2021	374,247
Resources deferred during the year	339,901
Amounts released from previous years	(357,479)
Deferred income at 31 March 2022	356,669

15 PROVISIONS	2022 £	2021 £
At 1 April 2021 and 31 March 2022	25,000	25,000

A lease is held by Thames Water Utilities Limited and Groundwork East for the land and premises at Mill Green Sewage Treatment Works. A condition of the lease is that the site must be returned to its original state at the end of the lease remains in place and therefore a provision is in place for the costs of the works required.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

16 STATEMENT OF FUNDS – CURRENT YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in / (out) £	Balance at 31 March 2022 £
DESIGNATED FUNDS					
New building	9,604	-	(12,370)	2,766	-
Future projects	-	-	-	10,000	10,000
Carbon reduction	-	-	-	10,000	10,000
GENERAL FUNDS					
General funds	486,483	1,550,741	(1,458,515)	(47,901)	530,808
Total unrestricted funds	496,087	1,550,741	(1,470,885)	(25,135)	550,808
RESTRICTED FUNDS					
New building	-	31,000	(3,881)	-	27,119
Project monies	-	866,676	(891,811)	25,135	-
Total restricted funds	-	897,676	(895,692)	25,135	27,119
Total of funds	496,087	2,448,417	(2,366,577)	-	577,927

The designated fund for the new building represents amounts set aside by the Trustees to explore the construction of a new building for the charity. During the year, £2,766 was transferred from general funds.

The designated fund for future projects represents amounts set aside by the Trustees to explore future projects for which full external funding might not be available but the Trust would still wish proceed with the work. During the year, £10,000 was transferred from general funds.

The designated fund for carbon reduction represents amounts set aside by the Trustees to explore initiatives for the charity to reduce its carbon footprint. During the year, £10,000 was transferred from general funds.

The restricted fund for the new building represents funds received as grants for the construction of a new building at Mill Green, Hatfield.

The restricted fund for project monies represents amounts received as grants for specific project activities in the period.

The transfer from unrestricted general funds to restricted project monies represents clearing of restricted projects where expenditure on the project has exceeded income in the period. The value of this transfer was £25,135.

A net total of £47,901 has therefore been transferred out from general funds: £2,766 designated to new building funds, £10,000 designated to future projects, £10,000 designated to carbon reduction and £25,135 transferred out to project monies.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

16 STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS – PRIOR YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in / (out) £	Balance at 31 March 2021 £
DESIGNATED FUNDS					
New building	37,704	-	(28,100)	-	9,604
Betty Goble memorial	2,559	-	-	(2,559)	-
Future projects	17,436	-	-	(17,436)	-
GENERAL FUNDS					
General funds	510,799	1,576,085	(1,613,992)	13,591	486,483
Total unrestricted funds	568,498	1,576,085	(1,642,092)	(6,404)	496,087
RESTRICTED FUNDS					
Landfill tax	40,700	5	(39,286)	(1,419)	-
Project monies	-	375,823	(383,646)	7,823	-
Total restricted funds	40,700	375,828	(422,932)	6,404	-
Total of funds	609,198	1,951,913	(2,065,024)	-	496,087

The designated fund in memory of Betty Goble represents amounts set aside by the Trustees to recognise her support of the Trust in previous years and which have been allocated to projects which they believe she would have supported.

The restricted fund for landfill tax is due to the Trust being a registered Environmental Body, regulated by Entrust, the Regulator under the Landfill Tax Regulations. The Trust is entitled to collect funds from landfill operators and administer projects which will be carried out using those funds. Landfill tax funds are restricted and can only be used on projects approved by Entrust. The projects can be carried out by the Trust or third parties but responsibility for monitoring performance remains with the Trust which effectively grants contracts to carry out works against specification. All landfill monies are accounted for separately from any other funds.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	6,660	55,435	62,095
Current assets	20,459	1,125,095	1,145,554
Creditors due within one year	-	(604,722)	(604,722)
Provisions for liabilities and charges	-	(25,000)	(25,000)
	27,119	550,808	577,927

ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	54,409	54,409
Fixed asset investments	-	-	-
Current assets	-	1,119,202	1,119,202
Creditors due within one year	-	(652,524)	(652,524)
Provisions for liabilities and charges	-	(25,000)	(25,000)
	-	496,087	496,087

18 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income / (expenditure) for the year (as per Statement of Financial Activities)	81,840	(113,111)
Adjustment for:		
Depreciation charges	32,578	27,777
Dividends, interest and rents from investments	(1,822)	(1,796)
(Profit) on the sale of tangible fixed assets	-	(1,700)
Loss on disposal of fixed asset investment	-	100
(Increase)/Decrease in debtors	(132,045)	83,644
Increase / (Decrease) in creditors	(47,802)	121,843
Net cash provided by / (used in) operating activities	(67,251)	116,757

19 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand	654,272	759,965

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

20 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £94,099 (2021 - £91,190). Contributions totalling £12,141 (2020 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

21 OPERATING LEASE COMMITMENTS

At 31 March 2022 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2022	2021
	£	£
Amounts payable:		
Within 1 year	22,004	24,887
Between 1 and 5 years	10,145	16,230
	<u>32,149</u>	<u>41,117</u>

22 RELATED PARTY TRANSACTIONS

Some of the Directors of the Trust are also Directors of companies or members of Local Authorities with which the Trust has material transactions. However, none of these Directors has a controlling interest or a material beneficial interest in these entities. In the Directors' opinion therefore, they do not fall within the definition of related parties given in the Charities SORP (FRS102) and no separate disclosure of the transactions between the Trust and these entities, which were carried out under normal commercial terms, is required.

The Trust is related to Groundwork UK, a national umbrella organisation. During the year, Groundwork East received £473,013 (2021 - £199,571) from Groundwork UK as funding for projects and paid £9,076 (2021 - £6,939) to Groundwork UK in membership fees and shared email services. As at 31 March 2022, £58,065 was due from Groundwork UK, included in trade debtors (31 March 2021 - £13,286).

Hertfordshire County Council has the right to nominate two Directors of the Trust, one of which must be an elected member of the County Council.

GROUNDWORK EAST

England & Wales - Charity number 293141

Accounts

Company number: 01944186
Charity number: 293141

GROUNDWORK EAST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

GROUNDWORK EAST
(A Company Limited by Guarantee)

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GROUNDWORK EAST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY
FOR THE YEAR ENDED 31 MARCH 2021

Trustees	Michael Master, Chairman ^{1,2} Phillip Bibby Rebecca Britton John Barrington Chevallier Guild Richard Powell Julie Smith ¹ Mark Hubbocks ²
	¹ Premises sub-committee ² Finance & Audit sub-committee
Company Registered Number	01944186
Charity Registered Number	293141
Registered Office	Mill Green, Hatfield, Hertfordshire, AL9 5PE
Company Secretary	Michael Wood
Executive Director	James Newell
Operations Director	Gill Taylor
Independent Auditors	Mercer & Hole, 72 London Road, St Albans, Hertfordshire, AL1 1NS
Bankers	National Westminster Bank Plc, 104 Fore Street, Hertford, Hertfordshire, SG14 1YY Aldermore Bank Plc, 1 st Floor, Block B, Western House, Lynch Wood, Peterborough, PE2 6FZ The Charity Bank Ltd, Fosse House, 182 High Street, Tonbridge, TN9 1BE CCLA Fund Managers Ltd, Senator House, 85 Queen Victoria Street, London, EC4V 4ET Nationwide Building Society, Nationwide House, Pipers Way, Swindon, SN38 1NW Virgin Money Plc, Jubilee House, Gosforth, Newcastle Upon Tyne, NE3 4PL Metro Bank Plc, One Southampton Row, London, WC1B 5HA
Solicitors	Taylor Vinters LLP, Merlin Place, Milton Road, Cambridge, CB4 0BD

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Groundwork East (the company) for the year ended 31 March 2021. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

Mission

Groundwork is the community charity with a green heart. We want places to look better, streets to be safer and outside areas to be green and beautiful. We want people of all ages to be able to do things together to make the best of where they live. We want to improve job prospects by offering training. We want to show people how they can make their homes more efficient places to run and support businesses to deliver on their corporate social responsibility and sustainability agendas.

We tackle five main social issues, focusing our resources on areas of high deprivation but not exclusively so:

- Social isolation and fragmented communities;
- Poor health and well-being;
- Dependence on limited prospects;
- Unsustainable living and working; and
- Lack of safety and security.

We work towards a vision 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.

Creating those sustainable communities means developing initiatives which cut across economics, social issues and the environment. Our work is diverse, but all of it helps to achieve our vision.

Strategies for achieving objectives

The Groundwork approach is to start local, put the right tools in people's hands, engage with everyone who has a stake in a place and address as many issues as possible with the same investment.

We create real change. That means carrying out work locally, regionally and nationally that:

- Builds people's skills and improves job prospects;
- Redesigns our neglected open spaces, making it fit for purpose;
- Helps people make their own decisions about their area;
- Motivates and develops our young people; and
- Promotes greener ways of living and working.

We achieve our vision by working together with passionate individuals, proactive public services and innovative parts of the private sector. We also know the need for our services is likely to increase while Coronavirus is a factor and we are redoubling our efforts due to an anticipated increase in need.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Activities for achieving objectives

Groundwork East (the Trust) is a member of the national Groundwork Federation. The Federation is coordinated by Groundwork UK. The Trust benefits from the national network through the Federation's ability to build partnerships, fundraise, market Groundwork and manage Groundwork's relationship with central Government.

The national Groundwork Federation aims to achieve the following targets, as outlined in their new national strategy, by 2023:

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

Groundwork East aims to achieve the following:

- Mobilise people of all ages to give their time to social action in their local communities;
- Inspire and support young people to learn, achieve and develop as more active citizens;
- Help people to progress in education, access training or start work.
- Provide advice, funding and practical support to community groups;
- Improve and help look after green spaces;
- Help people save money on their bills or stay warm and well in their homes; and
- Support businesses to reduce their impact on the environment or increase their commitment to the community.

Groundwork East's achievements in 2020/21 include:

- Delivered 87 distinct projects (2019/20 - 172);
- Helped 768 young people to learn and achieve (2019/20 - 3,287);
- Supported young people to achieve 947 positive outcomes (2019/20 - 3,248);
- Supported 84 people into education, training or employment (2019/20 - 200);
- Supported 79 community organisations (2019/20 - 154);
- Improved 23 public spaces, which benefitted 5,120 people (2019/20 53 and 78,558);
- Improved 131,702 m² of land (2019/20 - 116,140 m²);
- Worked with 70 schools (2019/20 - 105)
- Supported 203 businesses (2019/20 - 158).

Following the emergence of the Coronavirus pandemic we implemented virus control measures that primarily affected our ability to deliver work face to face. As a good deal of our current portfolio is, or can be, delivered remotely the effect on our achievements was less negative than it could have been. We continue to be impacted by the pandemic and continue to adapt in order to maximise the social value of the services we can deliver.

Main activities undertaken to further the Charity's purposes for public benefit

Groundwork East operates within the Objects described within the Memorandum and Articles of Association, which outline in detail the type of public benefit sought. Public benefit has been achieved in all thematic areas described within the activity review for the current year. In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Volunteers

During the year our ability to work with volunteers was limited by the pandemic. Despite this, the Trust has worked alongside 269 (2019/20 – 2,143) volunteers. Many volunteers engage with the Trust through our training programmes and via our work with youth groups. Volunteers assist with the planning and design of projects through local steering groups and continue to be involved with ongoing projects within their area. The Trust is well aware that assisting volunteers to claim ownership of projects helps to develop a sense of community pride and greatly enhances sustainability. A number of volunteers have also assisted the Trust with office and administrative tasks. The Directors would like to record their thanks to the many volunteers who supported / engaged with Trust activities during the year, particularly as the Coronavirus pandemic presented additional challenges.

ACHIEVEMENTS AND PERFORMANCE

Review of Activities

Groundwork East is a successful, highly regarded and mature Trust which was established in 1985. Every Groundwork Trust is rooted in the area it serves. Each Trust's programmes and services are tailored to the needs of partners and communities in their locality. When all that local activity is added together, it becomes a major national force for change. Groundwork Hertfordshire, Groundwork Luton & Bedfordshire, Groundwork Cambridgeshire & Peterborough, Groundwork Essex, Groundwork Suffolk and Groundwork Norfolk are Groundwork East's locally branded operations in those areas. The year 2020/21 once again saw the Trust's inspirational team deliver a programme of impactful, high profile projects across its operational area.

Project delivery in detail

Improving people's prospects

Although disrupted by the pandemic, this continues to be an important area of work currently being delivered in Hertfordshire, Bedfordshire, Cambridgeshire and Essex. Programmes include Green Team and Green Skills and offer a range of support from employment skills to health and well-being. Support from local authorities, colleges, housing associations and the private sector is ensuring expansion of delivery and ever-improving outcomes for those involved.

Another expanding area of delivery involves working with parents and their young children helping to build family relationships and transferable skills through adventurous outdoor play, food growing and healthy eating initiatives. Our *Wellies in the Woods* early years course has attracted significant funding and continues to grow. We plan to offer this programme nationally, in partnership with other Groundwork Trusts in future periods.

We continue to deliver our 5-year youth services contract with Central Bedfordshire Council; continuing to provide a range of youth activities to support the needs of young people in each locality within the authority, and also includes the Independent Visitors service for those in care. The service offers general youth club provision, targeted clubs, targeted workshops and *121* support. In addition, during the pandemic, a number of our youth support products moved online successfully, allowing delivery to continue despite lockdowns. Our holistic approach to working with young people means that programmes are tailored to the specific needs of the young people we work with. Young people may now refer themselves to the service; no longer requiring a parent or professional to do this. There are no thresholds, so no matter what the level of need is, Groundwork can offer support. The offer aims to be as broad as possible – supporting the full spectrum of need, from those in crisis to those who want to improve their skills, meet new people or develop their own project.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Project delivery in detail (continued)

Creating better places

This theme of work was again greatly enhanced by the management of the Tesco Bags of Help programme which has delivered a vast number of local environmental improvement projects and which serves to raise Groundwork's profile across the entire Trust operating area.

In addition, we have achieved much in partnership with Govia Thameslink Railway Ltd. supporting the deployment of their Passenger Benefit Fund. A comprehensive landscape-based station improvement drive has improved outside spaces for commuters and their communities.

The Trust's long-standing partnership with North Herts District Council continues to deliver a range of exciting outside space improvement projects in that area.

Excellent support from the John Laing Charitable Trust, across Groundwork East's operating area, continues and demand for Groundwork's expertise in enabling school grounds improvements (often delivered through our training activity) remains buoyant.

The Trust expanded its community engagement activities linked to rivers which included the hugely successful "Yellow Fish" programme working with businesses, community groups and schools to reduce the amount of surface water pollution that ends up in local rivers. To date this programme has reached over 100,000 individuals and furthered the Trust's long-standing relationship with the Environment Agency.

Promoting greener living and working

Our Sustainable Business Services offering has grown during this period, with key strategic hires being made to increase capacity in response to demand. We have seen particular growth in carbon management consultancy including net zero support and development of our carbon charter accreditation scheme and sustainable business services network. The Business Energy Efficiency (BEE) Anglia programme continues to support Suffolk and Norfolk businesses with energy audits. BEE distributed a £150,000 grant pot to kickstart a Green Recovery across the region, efficiently getting resource where it was needed.

The Luton Food Poverty Alliance (led by Groundwork East) continues to attract interested organisations and individuals who want to collaborate in order to alleviate poverty issues.

We are also pleased to have expanded our adult community learning portfolio across the region. This work, building on the success achieved with Cambs Skills and HAFLS, is now poised to grow in future periods.

We have continued to work closely with utility companies such as Anglian Water successfully moving our domestic water saving engagement work to operate remotely during COVID-19. Furthermore, we have been supporting communities in East Suffolk regarding 'resilience' equipping and preparing them for future severe weather events through our Communities Prepared campaign.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Strategic objectives

The Trust set out the following strategic objectives in its 2020/21 Business Plan – with progress noted in italics:

- Mapping capacity/capability across our areas:
Developing a viable externally facing pitch document that outlines what we can do, what we are doing, and what we want to be doing. This will be integral to internal strategy discussions as well as external prospecting.
This has been completed and will form the basis of business planning ongoing – ensuring that we are using the breadth of our capability to make strategic growth decisions in response to needs across our region.
- Develop viable consultancy products:
Building a suite of paid consultancy products so we can be more confident in 'selling' to corporates and councils etc. This will give us more agency over how we earn income and allow us to create more surplus. Continue to market and develop products like the Youth Work Audit and development of Sustainability Strategies for companies.
Our Sustainable Business Service portfolio continues to grow, attracting a broad range of new clients that we can support to improve their environmental credentials.
- Develop, test and implement a core case for support:
Creating, testing and disseminating a core case for support so all internal stakeholders are equipped to talk confidently about our work.
This has been completed and will be further developed in future periods.
- Develop a viable fundraising programme:
Testing the core case for support by approaching grant making trusts and individuals with it. Aiming for £25,000 unrestricted income in 2020/21
Our unrestricted income target was achieved and we are aiming for further growth in future periods.
- Maintain 'business as usual' and scrutinising existing contracts
Revisit existing relationships with a view to upgrading where possible (longer-term / higher-value), and divesting where not.
Despite the interruptions posed by numerous lockdowns we continued to remain effective and viable.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW

Review of financial activities

The result for the year is shown in the statement of financial activities on page 17 as a net expenditure of £113,111, following a net expenditure last year of £18,146. We consider this to be a satisfactory outcome given the circumstances this year.

Reserves Policy

The Trustees have agreed a reserves policy whereby the charity should aim to hold sufficient reserves, (unrestricted funds not represented by fixed assets or designated funds held to cover future planned expenditure) to meet estimated closure costs. This is currently calculated at £409,051.

Actual total reserves were £496,087 which were all unrestricted reserves. As £9,604 has been designated by the Trustees for specific purposes, the unrestricted general funds were £486,483, of which £54,409 is represented by fixed assets.

The Trust's available reserves were therefore £432,074 which is in line with this policy. The Trust has remained in this stable position in recent years and any small excess or shortage in available reserves has only been short term.

The Board has reviewed the designated funds and is satisfied that they are consistent with the needs of the Trust. This policy is reviewed annually by the Board through the Finance & Audit sub-committee.

Investment Policy and Performance

The Trustee's policy is to retain any short-term surplus funds, including designated and restricted funds, in interest-bearing bank accounts. The Trust is mindful of the Financial Services Compensation Scheme limit when investing outside of our core banking relationship. Investment performance was satisfactory.

Fundraising

Groundwork East does not engage in public fundraising. During 2020/21 the Trust did not engage any external, professional fundraisers. Projects are funded through formal bids, tenders and contracts. Donations totalled £54,560 in 2020/21 which included a gift in kind of £24,000 by way of waived rent.

Funding sources

The Directors would like to thank the many organisations who have supported the Trust's work. Groundwork East received funding for projects from Groundwork UK, other charities, local authorities, central government, private sector companies, housing associations, town and parish councils and schools throughout the East of England. We are thankful to all of our funders, with in 2020/21 included:

The Hertfordshire Community Foundation, (Mind, Body & Soil project and for the Workforce Development Grant); Bedfordshire & Luton Community Foundation (Community Investment Fund); Govia Thameslink Railway Passenger Benefit Fund (Station Improvement Programme); the John Laing Charitable Trust; the Sylvia Adams Trust; Cambridgeshire Community Foundation (Large Grants Fund); Cambridgeshire County Council (Talking Together in Cambridgeshire); Suffolk Coast & Heaths AONB Sustainable Development Fund; Thames Water Relief Fund, and many others.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

PLANS FOR FUTURE PERIODS

As an organisation delivering in local communities but with regional / national scale and strategic stake-holder links, Groundwork is well placed to further delivery of its charitable mission. In order to respond to future opportunities Groundwork East will be required to change and improve in three ways:

- By improving our ability to evidence the impact of our work on those who are most disadvantaged by demonstrating that our interventions lead to changed behaviours and improved resilience – an external impact report has been commissioned and will be delivered in 2021/22.
- By consolidating our structures and improving our systems so that we maximise the percentage of our income spent on front-line delivery, enhancing cash-flow, maximising our development resource and building the scale and specialisms needed to provide high quality services in more communities.
- By seeking out opportunities to share services, specialisms, systems and procurement around the Groundwork Federation – both to increase income generation and increase social value creation.

It is certain that the effects of the Coronavirus pandemic will be with us into the future and we are factoring that in to our plans for future periods.

Summary

2020/21 was a challenging year for the Trust but the attempts to diversify income and reduce expenditure led to a pleasing result. We were able to come through the pandemic intact; enabling us to move quickly on opportunities in what we expect to be a busy recovery period. We are continuing to diversify our income and our new business plan looks at growing our consultancy offerings, especially our Sustainable Business Service portfolio.

Our sincere thanks go to all of the staff, funders and partners, for their continued deep commitment to the cause.

In addition, we completed a governance review for the Trust and will make key board-level hires in 21/22. Brexit and Coronavirus still impacts the political and economic environment we are in, which presents planning challenges for any organisation with strong links to the public sector. As such, our plans for the future are based on continuing to strengthen our relationships in the public sector, while also looking more actively for opportunities within the private sector – be they to deliver services or solicit philanthropy. Clarity around our messaging, particularly as we are a diverse organisation, will be key in helping us build new relationships.

In the 'recovery period' following the pandemic, the social reality is that, over the next few years, ongoing austerity is likely to drive increased levels of poverty and further reductions in the scope and quality of services and facilities in local communities. We have been a valued community asset since 1985 and are redoubling our efforts in 2021/22 to meet increasing needs from all sections of society.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The company is registered as a charitable company limited by guarantee. The company is constituted under a Memorandum of Association and is a registered charity (number 293141).

Reference and administrative details for the Charity are provided on page 1 of the financial statements.

Method of Appointment and Election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Hertfordshire County Council may appoint up to two Trustees, one of whom shall be an elected member of the County Council. Trustees are recruited by advertisement and contacts with partner organisations.

The Directors, who are also Trustees of the charity, who served during the year, were:

Neville Reyner CBE, DL. Chairman (resigned 2 July 2020)
Derrick Ashley (resigned 17 May 2021)
Philip Bibby
Rebecca Britton
John Barrington Chevallier Guild
Richard Powell
Michael Master (Chairman from 2 July 2020)
Julie Smith (resigned 27 May 2020 and re-appointed 30 September 2020)
Mark Hubbocks (appointed 23 April 2020)

Trustees serve for a period of three years from the date of their appointment. On expiration of their term of office they will be eligible for reappointment for a further three-year term by majority decision of the remaining Trustees. If a Trustee has served two consecutive terms they must retire from office at the end of their second term of office and will only be eligible for reappointment if at least one year has elapsed since their retirement. The Trustees have the power by a 75 per cent majority of those present and entitled to vote at the meeting to extend a Trustee's period of office (and shall in their absolute discretion decide the period of extension) and to waive the requirement for one year to elapse before a Trustee may be eligible for reappointment.

New directors are provided with structured induction training at the Trust offices. Other training needs are identified on an ongoing basis.

Professional Indemnity insurance is purchased at a cost to the charity to protect the charity and its Trustees.

All Trustees give of their time freely and no director received remuneration in the year. Details of Trustees' expenses are disclosed in note 11 to the accounts.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Organisational Structure and Decision Making

The Directors meet four times per year to review strategy and performance and to set operating plans and budgets. The Finance & Audit sub-committee meets six times per year, the Health, Safety & Environment sub-committee meets four times per year, the Premises sub-committee meets six times per year and the Nominations Committee meets as required. The Finance & Audit sub-committee, Health, Safety & Environment sub-committee, Premises sub-committee and Nominations Committee deal with functions delegated by the Board of Directors.

The day to day running of the Trust is dealt with by the Executive Director, James Newell, and Operations Director, Gill Taylor, who refer to the Board for guidance as and when required.

The Trust operates a salary scale. The pay of all staff is reviewed annually. The Finance & Audit sub-committee agrees the terms of the review on behalf of the Board. The Executive Director's pay is reviewed by the Chairman in liaison with the Finance & Audit sub-committee. The pay of the other members of the Leadership Team (Operations Director, Finance Director, HR Manager and Operations Managers) is agreed by the Finance & Audit sub-committee following recommendations from the Executive Director.

Employees are consulted in a variety of ways through the following structures: a Staff Consultation group, monthly one to one meetings, regular team meetings, an annual staff survey and an annual staff conference. Through these structures, consultation around Trust development and policy changes is undertaken allowing all staff an active role in formulating the Trust's future. The compilation of the Trust business plan is contributed to by a wide range of staff.

Related Party Relationships

Details of related party transactions are given in note 23 in the financial statements.

Risk Management

The Finance & Audit sub-committee reviews a formal risk register at each meeting as a standard agenda item. Risks are scored from 1 to 6 in terms of "probability" and from 1 to 6 in terms of "impact". The two scores are then multiplied to achieve a "priority" score. The Finance & Audit Sub-Committee reviews progress against agreed actions, monitors changes in internal / external circumstances and is vigilant in terms of new risks. The Chairman of the Finance & Audit sub-committee reports any significant risk issues at Board meetings and also facilitates an annual Board session on risk management at which the Board reviews the risks and the mitigating actions and considers whether there are any emerging risks that need to be considered.

Risk assessment of projects takes place under the management of the Operations Director. A formal checklist is used on site for all projects and risk assessments accompany all tenders. Projects considered to be higher risk are referred to the Leadership Team or the Finance and Audit sub-committee / Board under a standing agenda item.

The Health, Safety & Environment sub-committee is chaired by the Chairman of the Trust.

The Executive Director is expected to report to the Board on any significant new or increased risk that falls outside the parameters of these processes. The Board is satisfied that systems are in place to manage the Trust's exposure to risk.

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Risk Management (continued)

The key risks to the Trust and the actions being taken to mitigate those risks are:

- The impact on project delivery if cash-flow was to become problematic or sustainable long-term surpluses weren't achieved – *Cash-flow forecasts are reviewed regularly by the Executive Director / Operations Director and are regularly presented to the Finance & Audit sub-committee. Business plans are prepared annually with detailed financial projections for approval by the Board. Monthly management accounts monitor performance against these projections and are reviewed bi-monthly by the Finance & Audit sub-committee.*
- Child protection issues – *Procedures are reviewed. Appropriate training is delivered.*
- Unsuitable or unavailable premises impacting upon project delivery and staff morale – *The Trust has designated funds (together with a funding commitment from a charitable Trust) for a new building at Mill Green (Hertfordshire) and has achieved planning permission.*

Groundwork Environmental Management (Hertfordshire) Limited

During the year, the Trust's subsidiary company, Groundwork Environmental Management (Hertfordshire) Limited (GEM) did not undertake any projects and remained dormant. The company did not receive any income during the year (2019/20: £nil). The directors of GEM applied to the Registrar of Companies to strike the company off the register and the company has now been dissolved.

Trustees' responsibilities statement

The Trustees (who are also directors of Groundwork East for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

COVID-19 Statement

The Trustees have paid careful attention to the impact of COVID-19 on Groundwork East and have put measures in place to overcome the operational challenges presented. Of primary concern is the ability to access and support beneficiaries while social distancing is in place, which could have an impact on our ability to generate income from charitable purposes.

Groundwork East has utilised the Coronavirus Job Retention Scheme for many, but not all, staff, as some work has continued to be delivered remotely. Extra funding has been received from the Thames Water Community Relief Fund to assist in dealing with the short- and longer-term financial impacts of the COVID-19 pandemic. Savings in overheads have been identified whilst we have worked remotely.

Groundwork East does not currently engage in public fundraising so does not need to consider a drop off in income of this type.

The Trustees continue to consider all the risks and are confident that COVID-19 does not affect our ability to operate as a going concern.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- The Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on 7 July 2021 and signed on their behalf by:



Michael Master, Chairman

GROUNDWORK EAST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST
FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Groundwork East (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related 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 2021 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

GROUNDWORK EAST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Other information

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirements to prepare a Strategic Report.

GROUNDWORK EAST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Responsibilities of Trustees

As explained more fully in the Trustees' 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to breaches of GDPR and health & safety regulations, and we considered the extent to which non-compliance may have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2006.
- We evaluated the Trustees' incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate income or understate expenditure, and management bias in accounting estimates.
- Audit procedures performed by the engagement team included:
 - discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
 - evaluation of the operating effectiveness of management's controls designed to prevent and detect irregularities;
 - review correspondence with the Charity Commission for evidence of breaches; and
 - identifying and testing journal entries.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

GROUNDWORK EAST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

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

Mercer & Hole

Jolene Upshall (Senior Statutory Auditor)

for and on behalf of

Mercer & Hole
72 London Road
St Albans
Hertfordshire
AL1 1NS

7 July 2021

GROUNDWORK EAST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:					
Donations and legacies	2	-	355,798	355,798	26,177
Investments	3	5	1,791	1,796	2,858
Charitable activities	4	375,823	1,216,130	1,591,953	2,466,458
Other income	5	-	2,366	2,366	960
TOTAL INCOME		375,828	1,576,085	1,951,913	2,496,453
EXPENDITURE ON:					
Charitable activities	6,7	422,932	1,642,092	2,065,024	2,514,599
TOTAL EXPENDITURE		422,932	1,642,092	2,065,024	2,514,599
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(47,104)	(66,007)	(113,111)	(18,146)
Transfers between Funds	17	6,404	(6,404)	-	-
NET INCOME / (EXPENDITURE)		(40,700)	(72,411)	(113,111)	(18,146)
NET MOVEMENT IN FUNDS		(40,700)	(72,411)	(113,111)	(18,146)
RECONCILIATION OF FUNDS:					
Total funds brought forwards		40,700	568,498	609,198	627,344
TOTAL FUNDS CARRIED FORWARD		-	496,087	496,087	609,198

The notes on pages 20 to 33 form part of these financial statements.

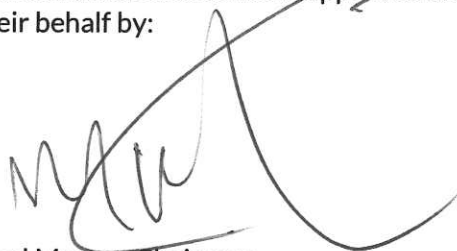
GROUNDWORK EAST
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BALANCE SHEET
AS AT 31 MARCH 2021

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	12		54,409		54,496
Investments	13		-		100
			54,409		54,596
CURRENT ASSETS					
Debtors	14	359,237		442,881	
Cash at bank and in hand		759,965		667,402	
		1,119,202		1,110,283	
CREDITORS: amounts falling due within one year	15	(652,524)		(530,681)	
			466,678		579,602
NET CURRENT ASSETS			466,678		579,602
TOTAL ASSETS LESS CURRENT LIABILITIES			521,087		634,198
Provisions for Liabilities	16		(25,000)		(25,000)
NET ASSETS			496,087		609,198
CHARITY FUNDS					
Restricted funds	17		-		40,700
Unrestricted funds	17		496,087		568,498
TOTAL FUNDS			496,087		609,198

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 7 July 2021 and signed on their behalf by:



Michael Master, Chairman

The notes on pages 20 to 33 form part of these financial statements.

GROUNDWORK EAST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by / (used in) operating activities	19	116,757	(12,594)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends and interest		1,796	2,858
Proceeds from the sale of tangible fixed assets		1,700	2,100
Purchase of tangible fixed assets		(27,690)	(38,060)
NET CASH USED IN INVESTING ACTIVITIES		<u>(24,194)</u>	<u>(33,102)</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN YEAR		<u>92,563</u>	<u>(45,696)</u>
Cash and cash equivalents brought forward		667,402	713,098
CASH AND CASH EQUIVALENTS CARRIED FORWARD	20	<u>759,965</u>	<u>667,402</u>

The notes on pages 20 to 33 form part of these financial statements.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Groundwork East meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 GOING CONCERN

The Trustees have paid careful attention to the impact of COVID-19 on Groundwork East and have put measures in place to overcome the operational challenges presented. Of primary concern is the ability to access and support beneficiaries while social distancing is in place, which could have an impact on our ability to generate income from charitable purposes. Groundwork East has utilised the Coronavirus Job Retention Scheme for many, but not all, staff, as some work has continued to be delivered remotely. Extra funding has been received from the Thames Water Community Relief Fund to assist in dealing with the short- and longer-term financial impacts of the COVID-19 pandemic. Savings in overheads have been identified whilst we have worked remotely. Groundwork East does not currently engage in public fundraising so does not need to consider a drop off in income of this type.

The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES (continued)

1.5 INCOME

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised and refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Project funding which is received in the form of grants is recognised as restricted income in the period in which it is received, unless it is subject to conditions in which case it is deferred until the conditions are met.

Project funding which is received in the form of contracts is recognised as unrestricted income. Where contract income has been received but the related services have not been performed by the year end, the balance is carried forward as deferred income.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.6 EXPENDITURE

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	not depreciated
Temporary building	33.3% straight line
Motor vehicles	25.0% straight line
Fixtures and fittings	20.0% straight line
Computer equipment	33.3% straight line

1.8 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.9 FINANCIAL INSTRUMENTS

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.10 INVESTMENTS

Investment in subsidiaries are valued at cost less provision for impairment.

1.11 DEBTORS

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

1.12 CASH AT BANK AND IN HAND

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES (continued)

1.13 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2 INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	-	54,560	54,560	26,177
Grants	-	301,238	301,238	-
Total 2021	-	355,798	355,798	26,177
<i>Total 2020</i>	-	<i>26,177</i>	<i>26,177</i>	

Donations include a gift in kind of £24,000 (2020 - £23,250) by way of rent waived during the year.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

3 INVESTMENT INCOME

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total Funds 2021 £	Total funds 2020 £
Bank interest	5	1,791	1,796	2,858
<i>Total 2020</i>	<i>573</i>	<i>2,285</i>	<i>2,858</i>	

4 INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Central Government	23,601	62,006	85,607	108,731
Local Authorities	73,190	706,840	780,030	1,170,388
Education and Skills Funding Agency	-	58,081	58,081	128,231
Charitable Trusts and Foundations	82,900	1,029	83,929	176,131
Private Sector	6,954	242,905	249,859	333,530
Housing Associations	-	24,392	24,392	91,128
Groundwork UK	125,049	120,877	245,926	297,924
Landfill Communities Fund	-	-	-	100,778
National Lottery	64,129	-	64,129	59,617
Total 2021	375,823	1,216,130	1,591,953	2,466,458
<i>Total 2020</i>	<i>605,721</i>	<i>1,860,737</i>	<i>2,466,458</i>	

5 OTHER INCOME

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Profit on disposal of tangible fixed assets	-	1,700	1,700	960
Sundry income	-	666	666	-
Total 2021	-	2,366	2,366	960
<i>Total 2020</i>	<i>-</i>	<i>960</i>	<i>960</i>	

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

6 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Core projects	383,646	1,642,092	2,025,738	2,408,329
Landfill	39,286	-	39,286	106,270
Total 2021	<u>422,932</u>	<u>1,642,092</u>	<u>2,065,024</u>	<u>2,514,599</u>
<i>Total 2020</i>	<i>624,322</i>	<i>1,890,277</i>	<i>2,514,599</i>	

7 ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support and governance costs 2021 £	Total 2021 £	Total 2020 £
Core projects	1,175,768	849,970	2,025,738	2,408,329
Landfill	39,286	-	39,286	106,270
Total 2021	<u>1,215,054</u>	<u>849,970</u>	<u>2,065,024</u>	<u>2,514,599</u>
<i>Total 2020</i>	<i>1,609,407</i>	<i>905,192</i>	<i>2,514,599</i>	

8 DIRECT COSTS

	Core Projects 2021 £	Landfill Costs 2021 £	Total 2021 £	Total 2020 £
Project costs	178,105	39,286	217,391	457,824
Wages and salaries	872,810	-	872,810	1,008,702
National insurance	64,390	-	64,390	72,626
Pension cost	60,463	-	60,463	70,255
Total 2021	<u>1,175,768</u>	<u>39,286</u>	<u>1,215,054</u>	<u>1,609,407</u>
<i>Total 2020</i>	<i>1,503,137</i>	<i>106,270</i>	<i>1,609,407</i>	

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

9 SUPPORT COSTS

	Governance 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Rent and rates	-	70,193	70,193	81,305
Communications	-	9,952	9,952	16,267
IT expenses	-	81,482	81,482	91,247
Training and recruitment	-	10,680	10,680	19,643
Sundries	-	56,746	56,746	53,400
Insurances	-	27,945	27,945	33,210
Motor vehicle costs and mileage	-	10,505	10,505	31,214
Professional fees	7,500	39,938	47,438	35,212
Board expenses	150	-	150	1,541
Wages and salaries	12,653	430,900	443,553	449,006
National insurance	933	31,789	32,722	32,328
Pension cost	877	29,850	30,727	31,273
Depreciation	-	27,777	27,777	29,546
Loss on disposal of fixed asset investment	-	100	100	-
Total 2021	22,113	827,857	849,970	905,192
<i>Total 2020</i>	<i>25,703</i>	<i>879,489</i>	<i>905,192</i>	

10 NET INCOME

	2021 £	2020 £
This is stated after charging:		
Depreciation of tangible fixed assets owned by the charity	27,777	29,546
Auditor's remuneration – audit	7,500	7,892
Auditor's remuneration – other services	-	-

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

11 STAFF COSTS, INCLUDING COST OF KEY MANAGEMENT PERSONNEL AND TRUSTEE EXPENSES

	2021	2020
	£	£
Staff costs were as follows:		
Wages and salaries	1,316,363	1,457,708
Social security costs	97,112	104,954
Other pension costs	91,190	101,528
	1,504,665	1,664,190

The average number of persons employed by the company during the year was 55 (2020 - 60) and the average monthly number of employees during the year expressed as full time equivalents was as follows:

	2021	2020
	No.	No.
Direct charitable	45	49
Marketing and communications	1	1
Governance	1	1
	47	51

The number of higher paid employees was:

	2021	2020
	No.	No.
In the band £70,001 - £80,000	1	1

The key management personnel of the charity comprise the Trustees, the Executive Director, Operations Director and (from 2021) Finance Director. No Trustee received any remuneration or benefits in kind from the charity (2020 - £nil). The total employment benefits including employer pension contributions and employer national insurance contributions of key management personnel were £177,774 (2020 - £155,898).

During the year no Trustees (2020 - 3) received reimbursement of expenses (2020 - £751).

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

12 TANGIBLE FIXED ASSETS

	Land and buildings £	Motor vehicles £	Furniture, fittings and equipment £	Total £
COST				
At 1 April 2020	138,320	140,027	83,712	362,059
Additions	-	10,165	17,525	27,690
Disposals	-	(15,071)	(5,905)	(20,976)
At 31 March 2021	<u>138,320</u>	<u>135,121</u>	<u>95,332</u>	<u>368,773</u>
DEPRECIATION				
At 1 April 2020	138,320	112,464	56,779	307,563
Charge for the year	-	14,331	13,446	27,777
On disposals	-	(15,071)	(5,905)	(20,976)
At 31 March 2021	<u>138,320</u>	<u>111,724</u>	<u>64,320</u>	<u>314,364</u>
NET BOOK VALUE				
At 31 March 2021	<u>-</u>	<u>23,397</u>	<u>31,012</u>	<u>54,409</u>
At 31 March 2020	<u>-</u>	<u>27,563</u>	<u>26,933</u>	<u>54,496</u>

13 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2020	100
Disposals	(100)
At 31 March 2021	<u>-</u>

SUBSIDIARY UNDERTAKING

Groundwork Environmental Management (Hertfordshire) Ltd was a subsidiary undertaking with Groundwork East having a 100% share holding. During the year, Groundwork Environmental Management (Hertfordshire) Ltd applied to the Registrar of Companies to strike the company off the register and the company has now been dissolved. The subsidiary had remained dormant throughout the year with nil profit and £100 aggregate of share capital and reserves.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

14 DEBTORS

	2021	2020
	£	£
Trade debtors	209,648	328,180
Other debtors and prepayments	60,426	50,598
Accrued income	89,163	64,103
	359,237	442,881

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	86,585	71,359
Other taxation and social security	147,717	110,854
Deferred income	374,247	313,250
Other creditors	184	794
Accruals	43,791	34,424
	652,524	530,681

DEFERRED INCOME: PROJECT INCOME

	£
Deferred income at 1 April 2020	313,250
Resources deferred during the year	302,619
Amounts released from previous years	(241,622)
Deferred income at 31 March 2021	374,247

16 PROVISIONS

	2021	2020
	£	£
At 1 April 2020 and 31 March 2021	25,000	25,000

A lease is held by Thames Water Utilities Limited and Groundwork East for the land and premises at Mill Green Sewage Treatment Works. A condition of the lease is that the site must be returned to its original state at the end of the lease remains in place and therefore a provision is in place for the costs of the works required.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

17 STATEMENT OF FUNDS – CURRENT YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in / (out) £	Balance at 31 March 2021 £
DESIGNATED FUNDS					
New building	37,704	-	(28,100)	-	9,604
Betty Goble memorial	2,559	-	-	(2,559)	-
Future projects	17,436	-	-	(17,436)	-
GENERAL FUNDS					
General funds	510,799	1,576,085	(1,613,992)	13,591	486,483
Total unrestricted funds	568,498	1,576,085	(1,642,092)	(6,404)	496,087
RESTRICTED FUNDS					
Landfill tax	40,700	5	(39,286)	(1,419)	-
Project monies	-	375,823	(383,646)	7,823	-
Total restricted funds	40,700	375,828	(422,932)	6,404	-
Total of funds	609,198	1,951,913	(2,065,024)	-	496,087

The designated fund for the new building represents amounts set aside by the Trustees to explore construction of a permanent building for the Charity.

The designated fund in memory of Betty Goble represents amounts set aside by the Trustees to recognise her support of the Trust in previous years and which have been allocated to projects which they believe she would have supported.

The designated fund for future projects represents amounts set aside by the Trustees to explore future projects for which full external funding might not be available but the Trust would still wish proceed with the work.

The restricted fund for landfill tax is due to the Trust being a registered Environmental Body, regulated by Entrust, the Regulator under the Landfill Tax Regulations. The Trust is entitled to collect funds from landfill operators and administer projects which will be carried out using those funds. Landfill tax funds are restricted and can only be used on projects approved by Entrust. The projects can be carried out by the Trust or third parties but responsibility for monitoring performance remains with the Trust which effectively grants contracts to carry out works against specification. All landfill monies are accounted for separately from any other funds.

The restricted fund for project monies represents amounts received as grants for specific project activities in the period which remain unspent at the year end.

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

17 STATEMENT OF FUNDS (continued)

The transfer of funds from landfill tax to general funds represents the expenditure from landfill tax on those projects completed by Groundwork East rather than by third parties. The value of the transfer from landfill tax to general funds was £1,419.

The transfer from general funds to project monies represents clearing of restricted projects where expenditure on the project has exceeded income in the period. The value of this transfer was £7,823.

During the year, £2,559 was transferred from the Betty Goble memorial fund to general funds to support a project the Trustees believe she would have supported.

During the year, £17,436 was transferred from the future projects fund to general fund to support projects where full external funding was not available.

A net total of £13,591 has therefore been transferred in to general funds: £1,419 transferred in from landfill tax, £7,823 transferred out to project monies, £2,559 transferred in from Betty Goble memorial and £17,436 transferred in from future projects.

STATEMENT OF FUNDS – PRIOR YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in / (out) £	Balance at 31 March 2020 £
DESIGNATED FUNDS					
New building	49,334	-	(11,630)	-	37,704
Betty Goble memorial	-	-	-	2,559	2,559
Future projects	-	-	-	17,436	17,436
GENERAL FUNDS					
General funds	518,358	1,890,159	(1,878,647)	(19,071)	510,799
Total unrestricted funds	567,692	1,890,159	(1,890,277)	924	568,498
RESTRICTED FUNDS					
Landfill tax	59,652	101,351	(106,270)	(14,033)	40,700
Project monies	-	504,943	(518,052)	13,109	-
Total restricted funds	59,652	606,294	(624,322)	(924)	40,700
Total of funds	627,344	2,496,453	(2,514,599)	-	609,198

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS – CURRENT YEAR

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	54,409	54,409
Fixed asset investments	-	-	-
Current assets	-	1,119,202	1,119,202
Creditors due within one year	-	(652,524)	(652,524)
Provisions for liabilities and charges	-	(25,000)	(25,000)
	-	496,087	496,087

ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	54,496	54,496
Fixed asset investments	-	100	100
Current assets	40,700	1,069,583	1,110,283
Creditors due within one year	-	(530,681)	(530,681)
Provisions for liabilities and charges	-	(25,000)	(25,000)
	40,700	568,498	609,198

19 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income / (expenditure) for the year (as per Statement of Financial Activities)	(113,111)	(18,146)
Adjustment for:		
Depreciation charges	27,777	29,546
Dividends, interest and rents from investments	(1,796)	(2,858)
(Profit) on the sale of tangible fixed assets	(1,700)	(960)
Loss on disposal of fixed asset investment	100	-
Decrease in debtors	83,644	90,426
Increase / (Decrease) in creditors	121,843	(110,602)
Net cash provided by / (used in) operating activities	116,757	(12,594)

20 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand	759,965	667,402

GROUNDWORK EAST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2021

21 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £91,190 (2020 - £101,528). Contributions totalling £nil (2020 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

22 OPERATING LEASE COMMITMENTS

At 31 March 2021 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

Amounts payable:	2021 £	2020 £
Within 1 year	24,887	30,681
Between 1 and 5 years	16,230	6,382
	<u>41,117</u>	<u>37,063</u>

23 RELATED PARTY TRANSACTIONS

Some of the Directors of the Trust are also Directors of companies or members of Local Authorities with which the Trust has material transactions. However, none of these Directors has a controlling interest or a material beneficial interest in these entities. In the Directors' opinion therefore, they do not fall within the definition of related parties given in the Charities SORP (FRS102) and no separate disclosure of the transactions between the Trust and these entities, which were carried out under normal commercial terms, is required.

The Trust is related to Groundwork UK, a national umbrella organisation. During the year, Groundwork East received £199,571 (2020 - £237,432) from Groundwork UK as funding for projects and paid £6,939 (2020 - £7,350) to Groundwork UK in membership fees and shared email services.

Hertfordshire County Council has the right to nominate two Directors of the Trust, one of which must be an elected member of the County Council.