

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)

CONTENTS

	Page
Reference and Administrative Details of the Company	1
Trustees' Report	2 – 12
Independent Auditor's Report	13 – 16
Statement of Financial Activities	17
Balance Sheet	18
Statement of Cash Flows	19
Notes to the Financial Statements	20 - 33

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)

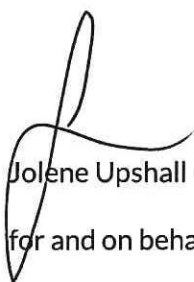
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2022

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>577,927</u>		<u>496,087</u>
CHARITY FUNDS					
Restricted funds	16		27,119		-
Unrestricted funds	16		550,808		496,087
TOTAL FUNDS			<u>577,927</u>		<u>496,087</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		(38,442)	(24,194)
CHANGE IN CASH AND CASH EQUIVALENTS IN YEAR		(105,693)	92,563
Cash and cash equivalents brought forward		759,965	667,402
CASH AND CASH EQUIVALENTS CARRIED FORWARD	19	<u>654,272</u>	<u>759,965</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>	-	355,798	355,798	

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>	5	1,791	1,796	

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>	375,823	1,216,130	1,591,953	

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
	<u>1,646,374</u>	<u>1,504,665</u>

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 No.	2021 No.
Direct charitable	48	45
Marketing and communications	1	1
Governance	1	1
	<u>50</u>	<u>47</u>

The number of higher paid employees was:

	2022 No.	2021 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
	<u>604,722</u>	<u>652,524</u>

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	<u>356,669</u>

15 PROVISIONS

	2022 £	2021 £
At 1 April 2021 and 31 March 2022	<u>25,000</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 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)
	<u>27,119</u>	<u>550,808</u>	<u>577,927</u>

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)
	<u>-</u>	<u>496,087</u>	<u>496,087</u>

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	<u>(67,251)</u>	<u>116,757</u>

19 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand	<u>654,272</u>	<u>759,965</u>

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.