

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
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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
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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.

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TRUSTEES' REPORT (continued)
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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.

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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.

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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.

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TRUSTEES' REPORT (continued)
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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.

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TRUSTEES' REPORT (continued)
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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.

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TRUSTEES' REPORT (continued)
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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.

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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.

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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.

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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.

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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

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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.

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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.

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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)

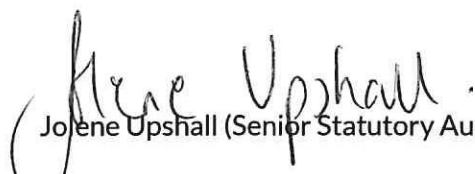
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2023

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	
		<u>1,206,783</u>		<u>1,145,554</u>	
CREDITORS: amounts falling due within one year	14	(619,212)		(604,722)	
NET CURRENT ASSETS			587,571		540,832
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,007,125</u>		<u>602,927</u>
Provisions for Liabilities	15		(25,000)		(25,000)
NET ASSETS			<u>982,125</u>		<u>577,927</u>
CHARITY FUNDS					
Restricted funds	16		386,563		27,119
Unrestricted funds	16		595,562		550,808
TOTAL FUNDS			<u>982,125</u>		<u>577,927</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 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		(390,621)	(38,442)
CHANGE IN CASH AND CASH EQUIVALENTS IN YEAR		(54,668)	(105,693)
Cash and cash equivalents brought forward		654,272	759,965
CASH AND CASH EQUIVALENTS CARRIED FORWARD	19	599,604	654,272

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	449,000	26,220	475,220	65,296
<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	746,770	1,704,884	2,451,654	2,380,243
<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	-	18,696	18,696	1,056
<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	828,250	1,717,443	2,545,693	2,366,577
<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	1,530,606	1,015,087	2,545,693	2,366,577
<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
	<u>1,659,437</u>	<u>1,646,374</u>

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 No.	2022 No.
Direct charitable	44	48
Marketing and communications	1	1
Governance	1	1
	<u>46</u>	<u>50</u>

The number of higher paid employees was:

	2023 No.	2022 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
	<u>619,212</u>	<u>604,722</u>

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	<u>336,858</u>

15 PROVISIONS

	2023 £	2022 £
At 1 April 2022 and 31 March 2023	<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 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
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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)
	<u>386,563</u>	<u>595,562</u>	<u>982,125</u>

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)
	<u>27,119</u>	<u>550,808</u>	<u>577,927</u>

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	<u>335,953</u>	<u>(67,251)</u>

19 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash in hand	<u>599,604</u>	<u>654,272</u>

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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
	<u>40,024</u>	<u>32,149</u>

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).