

Company number: 01944186
Charity number: 293141

GROUNDWORK EAST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

GROUNDWORK EAST
(A Company Limited by Guarantee)

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GROUNDWORK EAST
(A Company Limited by Guarantee)

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

Trustees

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

Company Registered Number
Charity Registered Number

01944186
293141

Registered Office

Mill Green, Hatfield, Hertfordshire, AL9 5PE

Company Secretary

Mark Hubbocks

Chief Executive

Carolyn Reid

Independent Auditors

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

Bankers

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

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

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

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

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

Solicitors

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

GROUNDWORK EAST (A Company Limited by Guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

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

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

OBJECTIVES AND ACTIVITIES

Mission

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

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

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

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

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

Organisational history

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

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

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

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

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

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

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

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

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

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

Activities for achieving objectives

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

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

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

The national Groundwork federation 2028 strategy sets out to help;

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

Groundwork East aims to achieve the following:

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

Groundwork East's achievements in 2023/24 include:

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

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

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

Volunteers

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

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

ACHIEVEMENTS AND PERFORMANCE

Review of Activities

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

Project delivery in detail

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Strategic objectives

The Groundwork UK Strategy up to 2024 has been delivered and a new overarching strategy for the Federation aimed at supporting local communities and businesses to build capacity and resilience in order to tackle hardship, achieve a just transition to net-zero and help nature recover in a way that reduces inequality and leads to better work and healthier, happier lives. Groundwork East has developed, and is in the process of embedding, a Strategic Framework for the Trust, aligning outcomes and impact to the work of the Federation, setting our local priorities for the future and establishing longer term impact measurements.

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

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

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

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

FINANCIAL REVIEW

Review of financial activities

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

Reserves Policy

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

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

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

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

Investment Policy and Performance

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

Fundraising

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

Funding sources

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

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

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

PLANS FOR FUTURE PERIODS

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

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

Summary

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

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

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Method of Appointment and Election of Trustees

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

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

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

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

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

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

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

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

Organisational Structure and Decision Making

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

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

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

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

Related Party Relationships

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

Risk Management

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

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

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

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

Risk Management (continued)

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

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

Trustees' responsibilities statement

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

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

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

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

Disclosure of information to auditors

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

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

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

DocuSigned by:

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Patrick Hughes, Chair

GROUNDWORK EAST
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Groundwork East (the 'charitable company') for the year ended 31 MARCH 2024 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 MARCH 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

GROUNDWORK EAST
(A Company Limited by Guarantee)


as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GROUNDWORK EAST (continued)
FOR THE YEAR ENDED 31 MARCH 2024

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

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

Use of our report

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

DocuSigned by:

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

for and on behalf of

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

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

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

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	£	2023 £	£
FIXED ASSETS					
Tangible assets	12		434,697		419,554
CURRENT ASSETS					
Debtors	13	651,141		607,179	
Cash at bank and in hand		608,722		599,604	
		<u>1,259,864</u>		<u>1,206,783</u>	
CREDITORS: amounts falling due within one year	14	<u>(702,804)</u>		<u>(619,212)</u>	
NET CURRENT ASSETS			557,060		587,571
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>991,756</u>		<u>1,007,125</u>
Provisions for Liabilities	15		(25,000)		(25,000)
NET ASSETS			<u>966,756</u>		<u>982,125</u>
CHARITY FUNDS					
Restricted funds	16		361,440		386,563
Unrestricted funds	16		605,316		595,562
TOTAL FUNDS			<u>966,756</u>		<u>982,125</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 17/9/2024 and signed on their behalf by:

DocuSigned by:
Patrick Hughes
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Patrick Hughes, Chair

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

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

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

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

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

1.2 COMPANY STATUS

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

1.3 FUND ACCOUNTING

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

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

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

1.4 GOING CONCERN

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

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

1 ACCOUNTING POLICIES (continued)

1.5 INCOME

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

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

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

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

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

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

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

1.6 EXPENDITURE

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

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

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

1 ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

1.8 OPERATING LEASES

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

1.9 FINANCIAL INSTRUMENTS

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

1.10 DEBTORS

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

1.11 CASH AT BANK AND IN HAND

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

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

1 ACCOUNTING POLICIES (continued)

1.12 LIABILITIES AND PROVISIONS

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

1.13 PENSIONS

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

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY

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

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

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

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

2 INCOME FROM DONATIONS AND LEGACIES

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

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

3 INVESTMENT INCOME

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

4 INCOME FROM CHARITABLE ACTIVITIES

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

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

5 OTHER INCOME

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

6 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

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

7 ANALYSIS OF EXPENDITURE BY ACTIVITIES

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

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

8 DIRECT COSTS

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

9 SUPPORT COSTS

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

10 NET INCOME

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

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

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

	2024 £	2023 £
Staff costs were as follows:		
Wages and salaries	1571,706	1,451,332
Social security costs	120,760	118,420
Other pension costs	88,075	89,685
	<u>1,780,541</u>	<u>1,659,437</u>

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

	2024 No.	2023 No.
Direct charitable	48	44
Marketing and communications	1	1
Governance	1	1
	<u>50</u>	<u>46</u>

The number of higher paid employees was:

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

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

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

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

12 TANGIBLE FIXED ASSETS

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

13 DEBTORS

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

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

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

DEFERRED INCOME: PROJECT INCOME

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

15 PROVISIONS

	2024 £	2023 £
At 1 April 2023 and 31 MARCH 2024	<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 2024

16 STATEMENT OF FUNDS – CURRENT YEAR

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

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

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

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

16 STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS – PRIOR YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in / (out) £	Balance at 31 March 2023 £
DESIGNATED FUNDS					
Future projects	10,000	-	-	(10,000)	-
Carbon reduction	10,000			5,900	15,900
GENERAL FUNDS					
General funds	530,808	1,754,121	(1,717,443)	12,176	579,662
Total unrestricted funds	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	-
	27,119	1,195,770	(828,250)	(8,076)	386,563
Total restricted funds					
	577,927	2,949,891	(2,545,693)	-	982,125

GROUNDWORK EAST
(A Company Limited by Guarantee)

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

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS – CURRENT YEAR

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

ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

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

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

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

19 ANALYSIS OF CASH AND CASH EQUIVALENTS

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

GROUNDWORK EAST
(A Company Limited by Guarantee)

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

20 PENSION COMMITMENTS

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

21 OPERATING LEASE COMMITMENTS

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

	2024	2023
	£	£
Amounts payable:		
Within 1 year	4,227	38,589
Between 1 and 5 years	-	1,435
	<u>4,227</u>	<u>40,024</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 £nil (2023 - £3,566) from Ealing Community Transport, a charity in which a Director of Groundwork East has significant influence, for project work on carbon reduction for Ealing Community Transport.

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