

Annual Report and Financial Statements 2020/21

The Groundwork South Trust Limited
(A company limited by guarantee)

Registered Charity No. 293705
Registered Company No. 01982077 (England and Wales)

Contents

	Page
Report of the Trustees	3
Chair's Report	3
About Groundwork	4
Objectives and Activities	6
Public Benefit Statement	7
Strategic Report	8
Achievements and Performance	8
Financial Review	13
Future Plans 2021/22	14
Principal Risks and Uncertainties	16
Reference and Administrative Details	17
Structure, Governance and Management	18
Statement of Trustees' Responsibilities	20
Independent Auditor's Report	21
Statement of Financial Activities for the year ended 31 st March 2021	24
Balance Sheet as at 31 st March 2021	25
Cash Flow Statement for the year ended 31 st March 2021	26
Notes to the Financial Statements	27-37

Report of the Trustees for the year ending 31 March 2021

The trustees are pleased to present their annual directors report together with the financial statements of the charitable company for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Groundwork South's operational area is the South East and South West regions of England, and that part of the District of Three Rivers within the Colne Valley Regional Park.

Chairman and Executive Directors Introduction

We are pleased to present Groundwork South's Annual Report and Accounts for the year ending March 2021. 2020/21 was an incredibly challenging year for us all, Groundwork South was no exception.

Very quickly at the beginning of the year the significant financial challenge we faced as a result of Covid-19 was clearly apparent and we convened very regular Board meetings to support the leadership team in dealing with the constantly changing landscape.

Ending the year, having continued to deliver so many services, with a break-even position is an incredible result. This achievement arises from a number of key factors.

The leadership team worked very long hours with great skill to evaluate and change strategy continuously and to take the staff team with them.

We would like to take this opportunity to extend our sincere thanks to our staff team who adapted to new ways of working from home; who agreed changes to their work conditions to enable the long term sustainability of services; who adapted delivery to meet the approval of our funders and clients; who sought new opportunities and succeeded in securing additional funding for existing programmes as well as funding to launch new programmes; who were incredibly creative and innovative, all so that we could continue to deliver services in support of communities and individuals in need.

We sincerely thank Groundwork London (our sole company member) for their continued support, through a brilliant, shared Executive and specialist service management, partnership programme delivery, as well loans to underpin our cashflow. We continue to work closely with the rest of the Groundwork Federation and, in collaboration, deliver several national programmes of work.

We also express our gratitude for the financial support we have received through the various government support programmes and in particular the Heritage Lottery Fund and Reaching Community Fund, without which we would not have been able to manage such a potential financial deficit. This enabled us, despite COVID to deliver a wide array of services and programmes across the South of England.

With a focus on Creating Better Places, we supported people to work collectively to make their surroundings greener, more resilient, safer, and healthier and to be actively involved in their communities and neighbourhoods. We developed and managed innovative and sustainable places that transform local environments which became more valued as the Covid-19 pandemic continued.

Against a backdrop of climate change, increasing pressure on natural resources and high energy prices our Greener Living and Working programmes raised awareness amongst individuals and communities on how to manage their environmental impact and to support them to cut energy and reduce water use.

To Improve Peoples Prospects, we delivered support to children, young people, families, and long term unemployed to increase confidence, skills, well-being, and employability. We delivered on our commitment to improve life chances for young people, working with schools, local authorities, and a range of organisations from the public and private sectors, we provide accredited opportunities that increase access to education, employment, training, and citizenship. We supported people furthest from the job market to develop their skills and find work.

All of us at Groundwork South are passionate about helping to create a future where everywhere is vibrant and green, every community is strong and able to shape its own destiny and where everyone can reach their potential. That's why we've been working with partners for over 35 years, supporting local communities to tackle big social and environmental challenges.

A summary of our plans and activities is given in this report demonstrating the breadth and impact of our work.

A handwritten signature in black ink that reads "P Head .". The signature is written in a cursive, slightly stylized font.

Chairman

Peter Head

About Groundwork

Vision

Our vision is of a society of sustainable communities which are vibrant, healthy and safe, which respect the local and global environment and where individuals and enterprise prosper.

Mission

Our mission is to transform lives and places in communities in the South-East and South-West of England.

Our core values are:

- **Empathy** - valuing differences and treating everybody with respect
- **Innovation** - always looking for new and better ways of working
- **Professionalism** - maintaining high personal and professional standards
- **Commitment** – dedicating time and energy to deliver quality projects and services
- **Passion** – having ambition, enthusiasm and pride in all that we do and achieve

Our Aim

We aim to be an outstanding deliverer of local environmental and community regeneration in areas of need. Our work will result in:

- better local environments for the benefit of local communities
- environments more resilient and adapted to changes in climate and increasing demands of a growing population
- people more empowered to engage in local decision-making and voluntary action to improve local communities
- young people and long term unemployed motivated to engage in education or training and taking up opportunities to develop their confidence and skills leading to employment.
- more people and businesses helping the environment and saving money through cutting energy and water use and creating less waste

To achieve our vision, we are working together with individuals, communities, Local Authorities and other public sector organisations, regional bodies and the private sector.

Objectives and Activities

Charitable Objectives

Groundwork South's charitable objectives are set down in the Memorandum of Association as amended at the Annual General Meeting on 30th November 2005 include:

- to promote the conservation, protection and improvement of the physical and natural environment in the South East and South West regions of England, and that part of the District of Three Rivers within the Colne Valley Regional Park ("the Beneficial Area").
- to provide facilities in the interest of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living or working anywhere in the Beneficial Area;
- to advance public education in environmental matters and other ways of better conserving, protecting and improving the same wheresoever;
- to promote the care, resettlement and rehabilitation of offenders, ex-offenders and those at risk of offending, and to support their families and dependents, within the Beneficial Area
- to promote the prevention of crime by supporting or carrying on either alone or in co-operation with any other body, authority or person any project or scheme and by providing money for such purposes whether by loan or otherwise

Strategic Objectives

During 2020/21 we worked to deliver two strategic objectives; the success of our work is reliant on delivering high quality, innovative actions with multiple economic, social and environmental benefits.

1. Creating and delivering services to meet the needs of communities in the South of England:

- **Creating better places** – supporting people to work collectively to make their surroundings greener, more resilient, safer and healthier and to be actively involved in their communities and neighbourhoods.
- **Improving people's prospects** – delivering support to children, young people, families and long term unemployed to increase confidence, skills, well-being and employability.
- **Promoting greener living and working** – helping people, organisations and businesses learn more about their environmental impact and to reduce natural resource use; address fuel poverty; and improve their health and wellbeing.

2. Creating a strong, viable business, achieving excellence in service delivery.

The performance of our business is driven by:

- Managing our finances on a full cost recovery basis and increasing the efficiency of our operations.
- Ensuring we deliver all our services to the standards expected by our funders.
- Focusing our fundraising efforts on developing specialist services in defined geographic areas.
- Building long-term local and strategic partnerships and relationships.
- Fostering participative and integrated working across our staff teams to present a united organisation with a strong vision of the future.

Public Benefit Statement

All Groundwork South's activities contribute to the achievement of our strategic aims and objectives and are undertaken to further our charitable purposes for the public benefit. Our main activities and who we try to help are described below. We review our aims, objectives and activities each year in the Business Planning process. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are established to help. The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Grant Making Policy

The Trust administers applications for various grant schemes in partnership with local authorities and other Private and Public Agencies. The applications are reviewed against specific criteria and business objectives, which are set out by the grants panels and awarded to constituted groups.

Strategic Report

Our operational area is the South East & South West of England covering 14 Counties, with 104 local government districts, of which 80 are non-metropolitan districts and 23 are unitary authorities and the Isles of Scilly.

Our Achievements and Performance

During 2021 we delivered a wide range of services adapting our delivery on an ongoing basis to contend with all matters Covid-19. We are proud to report our achievements.

We continued to act as managing agent for the **Colne Valley Regional Park (CVRP)**, 43 square miles of countryside on the edge of London and Herts, Bucks, Berks & Surrey. We also continued our role as catchment host for the Colne Catchment and leading the 3-year £2.5M Landscape Partnership to deliver landscape, biodiversity and public access improvements and community engagement. Engagement went on line, “Bringing the Colne Valley Indoors” and we introduced a comprehensive range of online training for all things river related. This successfully kept our 90 volunteer river rangers engaged throughout the year.

Practical work continued and we successfully completed a large river restoration project on the River Ash, conservation grazing at three sites and work to enhance access to the countryside with new stiles, gates and signage. Over the course of the last year we secured funding for a number of environmental improvement projects including funding from Affinity Water to create and improve fish passes over weirs to enable the critically endangered European Eel to move more freely in the catchment as part of its 3000 mile migration to complete its life cycle; funding from the Government’s Green Recovery Challenge Fund to improve habitats and recruit a ‘green team’ of trainees that can provide routes to employment in the green sector.

We also worked on behalf of the CVRP to prepare responses to consultations and negotiations about environmental mitigation for the effects of the many ‘Nationally Significant Infrastructure Projects’ affecting local communities and their local environment.

In the **Combe Valley Countryside Park**, we are the Managing Agent for Combe Valley CIC (CVCIC) and have been working closely with the CVCIC, local authorities and local stakeholders and individuals to develop a 5 year ‘activation’ and fundraising plan (2020 -2025) alongside securing funds to enable priority projects to take place as soon as Covid-19 restrictions allow.

In Hastings, European Interreg UpStraw Funding has enabled the construction of a new and unique Visitor Centre, **The Bale House**, in **Hastings Country Park and Nature Reserve**. We have worked closely with Hastings Borough Council to design and build the new centre which, following delays arising from Covid-19, is now due to open in 2021. Alongside this the Heritage Lottery funded **Hidden Hastings Heritage (HHH) Project** is enabling us to improve access to the park and nature reserve through new and improved paths, interpretation and signage. We have also developed a wide range of conservation and heritage activities in the park and a comprehensive education package to engage future generations. When Covid-19 prevented face to face activity much of HHH’s delivery moved online to maintain engagement with schools, volunteers and the wider community.

For a second year we continued to lead the development of **Westerland Valley Country Park** in Paignton, Devon, a 32 Acre disused Country park that sits in one of the most deprived wards in the South West. This is a three year project to implement flood mitigation solutions, alleviating the pressure on the area, created by an increasing population and new housing developments. This year we have continued to facilitate the Westerland Community Advisory Board through Zoom, increasing attendance and participation, helping us to work in partnership more fluidly with stakeholders and the community.

For those residents still needing a more hands on approach, we worked in collaboration with Torbay Culture to design, lead and deliver a ‘Wild Art’ project with local families, sending out play packs to homes and leading Facebook creative live sessions, enabling families to get out in the park to collect grass art brushes and shapes in nature, to design clay models and paintings to become part of the design for the new entrances to the park. The new entrances were installed early in 2021, forming part of our ambition to connect a disengaged community with their local green space.

The success of our work at Westerland Valley has led to further activity in the area. We are delivering a project in partnership with Torbay Council to increase volunteer engagement, through the Torbay Community Fund, and through an #iwill Grant we have started to deliver a Youth Green Mentor Scheme; we had 60 places available for Year 6 students- all those places were filled by one academy in the area in the first week that the project went live.

We've made many adaptations to our projects over the year to facilitate online engagement and learning, the most successful on-line events have been our Virtual Green Café Sessions in Torbay, enabling us to stay engaged with Friends of Groups and in the process generate more interest than ever in future opportunities for volunteering.

In 2020/21 the Trust continued to deliver the **Tesco Bags of Help** grant funding as part of the national partnership between Groundwork UK and Tesco, funded through the sales of the 10p 'bag for life' carriers. This was the fifth year of the programme. The scheme funds a wide array of activities and projects and has helped address the issues faced by community groups during the Covid-19 pandemic and in particular challenges of helping local people during the lockdowns. The scheme itself faced the problem of how to deliver grants to community groups during a pandemic. Our community enablers supported groups through the application process and project delivery and facilitated links between grassroots organisations as well as connecting Tesco stores, staff and their Community Champions.

In previous years the amount of grant awarded was determined by customers voting with tokens in store. During 2020/21 in store voting was suspended. In the first part of the year, all grants were £500, with 2669 applicants receiving funding for projects including: provisions for food banks; fuel for volunteers to deliver meals to people self-isolating; i-Pads for pupils schooling from home; and many other Covid-19 specific grants.

Grants then increased to £1,000 and these were decided by 300 'virtual' panels of Tesco store staff and our Community Enablers awarding over £1.061m, mostly to small local community groups, schools, scouts and guides, carers support, environmental charities and many more. In 2020/21 a total £2,405,542 was awarded.

We also administered the **Heathrow Community Fund** grants programme, due to Covid-19 the team has focused on supporting existing projects/groups with the delivery and monitoring of their projects.

We continued the management of the partnership for the **Business Improvement District (BID)** at the **Globe Park & Marlow** industrial estates, High Wycombe. This initiative improves the local environment in business areas, providing a more enjoyable and attractive working area, supporting business growth and staff retention. Our Programme Manager for the BID oversees the landscaping improvements and high-quality green space work funded by the agreed precept levied on the occupants. Whilst business engagement was curtailed during Covid-19 with only 20 – 25% business occupancy on site, project management work continued to progress the Westhorpe Interchange upgrade & street works; cycle scheme and active travel planning; environmental and community projects and development of local schools' partnerships.

Our **Environment Centres** offer a wide range of groups and communities fantastic opportunities to build their knowledge and understanding of the natural world. From the various centres we deliver outdoor curriculum based educational activities for schools, informal learning events for families and when possible, volunteering opportunities (included supported volunteering) for individuals and teams from corporate partners.

The **Iver Environment Centre**, in partnership with National Grid, celebrated its 30th birthday in September 2020. With school closures the usual visits to the centre from primary schools were limited. Instead, we decided to take Iver Environment Centre directly into people's homes during lockdown with our Facebook Live Nature Sessions. Participants from West Wales to Manchester immersed themselves in curriculum linked tasks and we were written into the remote learning timetable of several schools. We also grew our volunteering programme this year with support from Heathrow Community Trust, including our supported volunteering programme which enables adults with physical and learning disabilities to grow and care for plants in the centre's sensory allotments. Our site has been improved with our pond restoration project and H.L.F. funded interpretation being installed across the site, creating learning opportunities and reinforcing our new brand. Family learning was limited by Covid-19 restrictions, but children's drop off activities experienced a boom for the same reasons.

Braywick Nature Centre, managed in partnership with the Royal Borough of Windsor and Maidenhead, has also had to adapt to the realities of the pandemic. As at Iver, staff developed new approaches to digital delivery, reaching schools and families with nature education online rather than face to face.

The 'Braywick Nature Vision' series is a collection of short educational for children aged 4-11 years old, presented by our friendly team of rangers, and showing off the wildlife on our amazing nature reserve. These 'virtual school trips' have been widely viewed by local schools as part of their pupils' distance learning programmes and welcomed by teachers and parents. We also continue to act as a valued charity partner to the Borough, leading an ongoing woodland creation project at Ockwells Park and supporting other conservation and interpretation projects in nature reserves and wildlife sites.

The Vench, Lockleaze is our adventure playground & community centre in Bristol. Our vision is for all children and young people in Lockleaze to live happy and healthy lives. We work closely with young people, their families and local residents to provide a safe and vibrant space for children and young people to play, as well as delivering activities which support families to build their resilience and improve their future employment prospects. For children & young people we deliver After School Supper & Play, Youth Club and Summer Play Bubbles which provide supportive play opportunities and a hot healthy meal for local children and families struggling with food poverty. During Covid-19 we delivered 1:1 and group wellbeing coaching for parents struggling with their mental health and wellbeing; and we continued to deliver FOODClub (in partnership with Family Action), a food cooperative which enables 100 families access healthy affordable food whilst diverting c. 500kg of surplus food from landfill each week.

This year we secured funding to develop the playground following in-depth consultation and co-design activities with young people, we have added a new zipwire, a skate & pump track and a toddler area. The building serves as an important local resource, hired weekly by local groups such as Incredible Kids, Khaas and National Autism Society.

We are a member of Playful Bristol, a consortium of several leading play organisations within Bristol, whom we work with to advocate for play at local policy level and collaborate on funding bids to secure a sustainable future for the play sector.

Future Proof Parks empowers young people to engage with their local friends of park groups, offering training and Youth Worker support to both parties in order to facilitate long term partnerships to protect the park for future generations. We work in partnership with Friends of Park Groups to deliver activities to engage 11–19-year-olds in the natural and cultural heritage of their local park, activities include woodland management, social action and leadership skills.

During the year we worked with over 95 young people across 8 Friends of Park Groups, bringing the total number of young people engaged in the project to 290. Friends of Park Groups members were trained in safeguarding and youth participation. We transitioned to digital delivery during lockdown, which challenged us to creatively engage young people in the outdoors without being able to meet in person. We recruited 10 young Instagrammers to join the Friends of Groups to share heritage stories about their park online with their local communities. We also worked with a local school to deliver Young Rangers as an Afterschool Club for year-group bubbles.

Our **community cafes in Denham & Tilgate** weathered the ups and downs of the varying Covid-19 restrictions with great resilience to move between sit down, takeout and shut down. Our Charity Shop both benefitted from and provided essential support as a result of Covid-19, providing recycling and reuse of household goods and clothing.

Our **National Citizenship Service (NCS)** delivery in 2020 had to remain very agile, with the National model continually changing to adapt with the latest government guidance, however we were able to deliver two, Summer 'Keep Doing Good' events, and one in the Autumn. Whilst these events couldn't contain the residential element, we still offered an excellent programme with lots of our young people engaging in local social action projects to support their community whilst having a great time in the outdoors.

Greener Futures our CHART (Connecting Hastings and Rother Together) ESF funded project commenced during Covid-19 social distancing/lockdown in October 2020. This project aims to support 210 residents from areas of high deprivation to move closer to employment and enable 600 residents to engage in volunteering in local green spaces to improve their health and wellbeing. Despite the challenges of delivery during Covid-19 the projects online offer is already generating signups. 44 people have registered an interest in participating on the project, up to 49 people have registered for each online session around horticulture, employability nature and the environment, we are supporting six people on the employment pathway and 2 people have already moved on from the project into work or training.

We are working closely with our local contacts in Job Centre Plus and community projects to develop bespoke packages of support for people living with mental health issues, physical or learning disabilities and we are working in partnership with local community groups to ensure our work adds value and leaves a legacy by building capacity within the community.

In partnership with Groundwork London, we have successfully secured funding from the European Union's Asylum Migration and Integration Fund (AMIF) to assist refugees and non-EU migrants to integrate into UK society through a holistic 3-year programme – **IMPACT** - focusing on 3 key areas: language, preparation for work and culture. Working across deprived areas in Bristol we are mirroring Groundwork's successful integration model in London and using our existing national/regional links and infrastructure in Bristol to trial a common framework for Third Country Nationals (TCN) integration in urban areas.

As the Covid-19 crisis developed, we gained the support of the funder to move ahead with recruitment and adapted the project to online delivery. The team have made progress in recruiting almost 90 participants so far through our partners and word of mouth and have commenced online support for them. We have also successfully supported 26 people with CV writing, 5 participants are in paid employment, 30 people are in education or training and 3 people are undertaking voluntary placements. Around 50% of participants access our weekly conversational English classes. Due to the programme being delivered online, the team have also managed to develop partnerships with key organisations to bridge the technology poverty gap and make our programme as accessible as possible. We are working closely with an organisation called Digilocal to provide our participants with second-hand laptops and another organisation called City of Sanctuary to provide second hand mobile phones.

Prior and during 2020/21 we secured funding to deliver a number of targeted employment and training programmes focused on long term unemployed and inactive residents, young people at risk of NEET or NEET. All programmes were significantly impacted by Covid-19 with a number of start or relaunch dates being planned and then moved. Where possible some programmes were progressed: **Skills for Young People, Plymouth** initially focused on digital delivery of employability and functional Skills, then during the summer we were able to reintroduce some face-to-face work which proved more successful with engaging the young people. We continued during the year with a blended approach of digital and face to face delivery.

In 2017 we took over the operation of the 25-year contract to manage three outdoor activity centres - the **Oxfordshire Outdoors Service**, on a 25-year contract with Oxfordshire County Council. Oxfordshire Outdoors comprises Kilvrough Manor and Woodlands in south Wales and Yenworthy in North Devon. The Service delivers high quality residential adventure based outdoor education courses, primarily but not exclusively to schools from Oxfordshire. As a result of Covid-19 the centres have not been able to hold residential visits all year. The team have continued to maintain the Centres ready and willing to accept pupils whenever that is possible, they developed an 'in county' service, taking to their skills and experience to deliver in Oxfordshire on a day trip basis. Whilst only possible in small windows when the rules allowed the opportunity was well received by schools with more wanting to participate than space available. Our staff team grouped together to agree a range of changes to their working circumstances from furlough to redeployment to secondment in order to protect the long-term sustainability of the Centres. Throughout the year we have maintained contact with the schools and looked forward to them returning as soon as this is possible.

Following the successful first phase of the **Communities Prepared** programme delivered in South West England, which aimed to provide information, training and tools for communities at risk of flooding, we continued to lead a nationwide community resilience programme with the Environment Agency, Cornwall Community Flood Forum and Cornwall College Business and other key stakeholder organisations.

Communities Prepared, with backing from The National Lottery Reaching Communities England Fund, equips communities across the country with the knowledge and tools to effectively prepare for, respond to and recover from, emergencies such as flooding, snow, and other severe weather events and utilities failures.

As a community preparedness programme, the project quickly responded to Covid-19 by creating new resources specifically relating to the pandemic (including Crisis Recovery and Public Health Volunteer – downloaded from our hub over 600 times) and a new training model to allow the programme to be delivered online. Since September 2020, we have been delivering series of regional training webinars for Community Emergency Volunteer groups all over the country, through these series (and previous face-to-face sessions pre-Covid-19), we have reached over 150 volunteers and 40 volunteer groups, as well as 90 partners and 70 organisations.

Building a strong, viable business, achieving excellence in service delivery

2020/21 was an incredibly challenging year for us all. Following our success imbedding a new financial strategy into the organisation the year before, the Trust was forecasting a modest surplus of £37k. Very quickly at the beginning of the year the significant financial challenge we faced as a result of Covid-19 was clearly apparent. Facing Trust wide losses of over £600k at the start of the year to a break-even position at 31 March 2021 is an incredible result. This achievement arises from a number of factors:

- Our staff teams adapting to new ways of working from home and adapting delivery to meet the approval of our funders and clients and ensure we could continue to deliver projects in support of communities and individuals.
- In programmes affected most by Covid-19, our staff teams accepting changes to their terms & conditions, agreeing secondments, redeployment or going onto the government job retention scheme, furlough, some for the entire year.
- Financial support, particularly from the Heritage Lottery Fund and Reaching Community Fund, without which we would not have been able to manage such a financial deficit.
- The success of our fundraising, resulting in match funding for existing programmes as well as new funding to launch new programmes across the South.

Groundwork South Financial Review

Groundwork South shows income achieved in the year of £4.708m with expenditure of £4.699m, resulting in a surplus for the year of £9k

The Trust has been able to manage its cash flow, meeting its obligations as they fell due via 3 separate loan facilities provided by Groundwork London and closer monitoring and management of its cashflow position. In addition, a full cost recovery financial model has been adopted, which enables the Trust to allocate costs appropriately; to prepare financially sound grant and funding applications and clearly monitor projects that are underachieving or are not meeting their targets.

How we raised our money

Funding for Groundwork South was provided by the following sources:

	£
Local Authorities	374,886
Public and Regional Agencies	1,050,478
Landfill tax and other	160,103
Private Sector	2,108,731
National Lottery	1,013,697
	<u>4,707,895</u>

How we spent our money

The money we raise from our clients and partners is entirely focused on building our capability with local communities to deliver our three charitable outcomes. An overview of the split of expenditure against our different themes is given below:

	£
Greener Living & Working	2,704,815
Youth & Employment	480,393
Parks & Open Spaces	1,513,735
	<u>4,698,943</u>

Reserves Policy

The Board recognises the need to build up unrestricted reserves to:

- Provide the working capital required to manage the usual retrospective nature of the programme funding which can result in considerable timing difference between expenditure and receipt of income.
- Set aside funds for other appropriate capital assets such as IT equipment and for properly equipping the Trust.
- Invest in the development of new services and training & development of staff.

Going Concern

The Trust is a going concern and operates solvently. In 2017 Groundwork London provided loans to Groundwork South to the value of £1.355m, in order that Groundwork South could guarantee that all debts would be paid as they fell due. This facility operates on a 'draw down' basis as and when Groundwork South requires the funds. The £1.355 loan remains in place indefinitely as and when Groundwork South requires it. The balance on the loan at 31st March 2021 was £15,948 (2020 £365,948).

Future Plans 2021/22

In line with the Groundwork Federation strategy: Groundwork 2020, we will deliver Groundwork Services across the South East and South West of England. We will:

1. Create and deliver programmes and projects across three thematic areas

During 2020/21 we will progress projects that focus on:

Creating better places – *supporting people to work collectively to make their surroundings greener, safer and healthier and be actively involved in their communities and neighbourhoods.* We will plan, develop and deliver a programme of community projects that will focus on:

- Building empowered, engaged and resilient communities.
- Supporting community led improvements to spaces and neighbourhood environments.
- Supporting the integration of marginalised groups, including refugees and migrants.
- Helping socially isolated individuals through activities such as 1-2-1 support and creative group workshops.
- Enhancing communities' and individuals' health and wellbeing.
- Engaging communities in the effective management and maintenance of green and open spaces.
- Encouraging young people to engage with others in their community and positively contribute to their local area.
- Promoting and conserving the natural environment and enhancing access to nature and heritage.
- Nature study centres providing educational, environmental or therapeutic activities.
- Inspiring and promoting volunteering including youth citizenship and employee engagement.
- Tackling the social, physical and practical barriers to inclusion.

We will continue to enhance urban and rural environments to ensure that they meet the needs of local communities. We will focus on:

- Improving parks and open spaces, play and active spaces; climate change adaptation and biodiversity.
- Managing the Heathrow Community Fund and providing grant 'enabler' support for community groups bidding to Tesco's 'Bag of Help' Community Grant Scheme, and the HS2 grant programmes.
- Managing the Colne Valley Regional Park and Combe Valley Countryside Park and acting as catchment hosts in the Colne and East Hampshire.

Promoting greener living and working – *helping people, organisations and businesses learn more about their environmental impact and act responsibly to reduce natural resource use and improve their health.* We will deliver programmes which focus on:

- Behaviour change, helping people adopt more sustainable lifestyles and tackling climate change and other environmental issues.
- Encouraging and supporting young people and adults to participate in positive environmental action.
- Running our Charity shop, recycling and reusing household goods and clothing.
- Providing tailored advice and guidance on energy and water efficiency to residents and businesses.
- Providing opportunities for the corporate sector to engage with local communities by volunteering.

Improving people's prospects – *delivering support to children, young people, families and long term unemployed to increase confidence, skills, well-being and employability.* We will deliver projects that engage, motivate and inspire people:

- Providing coaching and support to young people particularly those at risk of NEET or NEET (Not in Education, Employment or Training) to stay and succeed in education, to gain accredited qualifications or to progress into work.

- Running clubs and safe places for young people to develop themselves and their skills.
- Encouraging and supporting participation and leadership of positive action for the environment.
- Delivering the National Citizenship Service and other lifelong learning and citizenship activities in and out of schools.
- Providing high quality outdoor learning experiences for children, young people and adults at our Oxford Outdoors centres.

We will help the most disadvantaged young people and adults, improve their skills and confidence and move from welfare into sustained employment by:

- Providing Information Advice and Guidance (IAG), supporting people to address their barriers to securing work and helping people make the positive decisions about jobs and careers.
- Delivering job brokerage that links the right client to the right vacancy and “in work support” that helps them stay in their job.
- Providing work placements and trials, with integrated training and access to volunteering placements.
- Delivering accredited training and skills development programmes.
- Supporting integration, building resilience, confidence and wellbeing in vulnerable and socially isolated adults & young people and refugees & migrants through engagement in cultural, environmental, language and preparation for work activities and volunteering opportunities, as well as connecting to wider services.

2. Building a strong, viable business, achieving excellence in service delivery

The performance of our business will be driven by increasing the quality, consistency and efficiency of our operations; by innovation and development of our services; by securing income from diverse sources; and by building long-term local and strategic partnerships and relationships.

We will:

- Improve the effectiveness and efficiency of our operations by managing our finances on a full cost recovery basis.
- Focus our fundraising efforts to build strong operational centres across the South.
- Measure the quality of our delivery and the impact we make.
- Foster a culture to attract, develop and retain highly skilled and motivated staff.
- Deliver communications to raise the profile of the organisation and our services.
- Build long-term, local and regional strategic partnerships.

We will work with Groundwork London to sustain and develop Groundwork activity across the South of England. We will do this through Groundwork London providing executive leadership and management of defined specialist activities.

Principal Risks and Uncertainties

The Board accepts its responsibility under the Charity Commission's Statement of Recommended Practice (SORP) for ensuring the major risks to which the charity is exposed are identified and reviewed and that there are systems in place to mitigate against them.

The risk management analysis continues to be an integral part of the business planning and business review and reporting process. The Trust maintains a comprehensive risk register in which all risks are evaluated and graded. Each risk is allocated both an Impact and Probability rating to provide an overall risk score. The Board reviews the most significant risks quarterly.

The principal risks to Groundwork South are:

- Impact of Covid-19 on ability to deliver programmes and services and to ensure staff & beneficiary health & safety
- Failure to secure funding for the projected operations plans
- Failure to achieve our full cost recovery strategy missing utilisation targets and chargeable rates
- Failure to deliver targets and performance requirements in 'payment by results and other contracts
- Poor performance and partner dissatisfaction with the quality of delivery
- Failure to ensure adequate financial and operational processes to manage and control project finances
- Operational and financial issues from historical losses

Whilst our response to each of these will vary, there are some key actions that will help us address these risks:

- Regular reviews and communication of Covid-19 secure measures in organisational and project risk assessments
- Reviews of all contracts and services to ensure ongoing delivery, implementing adjustments to ensure agreed outputs and outcomes are met
- Effective coordination and targeting of fundraising and development to expand and diversify our offer in key geographic areas
- Continuing to implement our financial strategy and full cost recovery model
- Investing in our competencies and specialist skills
- Effective evaluation and monitoring of delivery, output and financial performance
- Effective implementation of internal processes and procedures
- Continued emphasis on driving up the quality of our services and demonstrating their value and benefits

Financial management of projects is undertaken through Enqueueur and via project budget sheets. The amount of secured and unsecured income and the expenditure and revenue on all projects is analysed on a monthly basis.

Performance against the plan will be reviewed by the Executive Team monthly and by the Board quarterly and adjustments will be made in year to income and expenditure budgets accordingly. The Trust has been working with Groundwork London on a new Project Management System which will be integrated with Financial accounting, it is planned for this system to be rolled out across the Trust during the 2021/22 financial year.

In addition to reviewing the risk register, quarterly reports to the Board monitor income & expenditure and progress towards financial targets. Detailed management accounts are examined at each meeting. The Trust submits these accounts to Groundwork Federation on a quarterly basis and is monitored by the Federation on security of income and financial stability.

Reference and Administrative Details

Registered Company number
01982077 (England and Wales)

Registered Charity number
293705

Registered office of the company and principal office of the charity

The Colne Valley Park Centre
Denham Court Drive
Denham
Uxbridge
UB9 5PG

Our advisers

Independent Auditors	Hartley Fowler LLP	Chartered Accountants Statutory Auditor Fourth Floor Tuition House 27/37 St George's Road Wimbledon London, SW19 4EU
Bankers	Lloyds	Lewisham Branch PO Box 1000 BX1 1LT
Solicitors	IBB	Capital Court 30 Windsor Street Uxbridge Middlesex, UB8 1AB

Key management personnel: Directors and Trustees

The directors of the charity are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Trustees	D Davidson P Head M Dowd J Sutherland	Appointed 20 th October 2020
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Company Secretary	S Harrison
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Key management personnel:	Executive Director Lindy Kelly
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Structure, Governance and Management

Structure

Groundwork South is a registered charity and company limited by guarantee and is governed by its Memorandum of Association amended on the 30 November 2005.

Groundwork South is a member of the Federation of Groundwork Trusts in England, Wales and Northern Ireland, each working with partners to improve the quality of the local environment, the lives of local people and the success of local businesses in areas in need of investment and support. The Federation Membership Agreement is a bilateral agreement jointly signed by both the Trust and the Federation, setting out the obligations, defining the minimum quality and ethical standards, setting out the core values and defining the circumstances and procedures whereby Trusts may be required to leave the Federation.

The Members of the Groundwork South Trust

Groundwork South is a wholly owned subsidiary of Groundwork London.

Governance

Board of Trustees

The Board of Trustees comprises the Trustees of the Trust in accordance with the Charities Act 2011 who are also the Directors of the company in accordance with the Companies Act 2006. The Board currently comprises of 4 Trustees. Any new Trustees will be invited for interview by the Board to assess their skills and experience prior to appointment.

Induction & Training

Groundwork South provides key information to any new Trustees including the governing document, recent accounts and meeting Minutes as part of the induction process. New and existing Trustees are encouraged to regularly attend visits to see our programmes of work in action, meet the charity's officers and beneficiaries and understand our impact. The Board reviews requirements to recruit new Trustees and the identification of training needs.

Management

The Board delegates day-to-day financial and managerial control of the organisation to the Executive Director who reports to the Chair of the Board. The Executive Director executes their duties with the support of senior managers.

Executive Director - Lindy Kelly
Finance Director - Stuart Harrison
Director, Youth, Employment & Skills - Graham Parry
Director, Development & Strategic Partnerships - Ben Coles
Operational Delivery Manager - Becky Spake
Central Services Manager - Claire Woodcock

Our staff

Groundwork South has tremendous staff – talented and committed to making positive change for those communities they support through our projects.

A strategic priority for Groundwork South is to foster a culture to attract, develop and retain highly motivated people. We know that it is the passion, hard work and commitment of our employees and volunteers that is critical to achieve our charitable outcomes. We also understand our quality of delivery is dependent on various factors such as IT systems, technology and materials, but the over-riding factor is the people we employ carrying out the work.

Consequently, we want to attract and keep talented people as they will deliver our charitable outcomes to the level of quality required to satisfy clients, partners and beneficiaries.

As part of our commitment to a diverse workforce, we hold 'Positive about Disabled People' status with the Disability Two Ticks mark.

We celebrate equality and diversity and aim to promote a culture where differences between people are respected and valued. We deal with people internally as individuals, whilst recognising that many people share common experiences based on their background. We will continue to create and maintain an environment that meets the needs and aspirations of our own people, clients, partners and beneficiaries irrespective of race, gender, disability, sexual orientation, religion or age. Furthermore, our policies and procedures are continually reviewed in line with best practice and legislation and will continue to reflect Groundwork South's commitment to equal opportunities.

Trustees' responsibilities in relation to the financial statements

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

Company law requires the charity Trustees to prepare financial statements for each year which 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 for that period. In preparing the 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charitable company's auditor is unaware, and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees



Trustee

Date: 20 September 2021

Report of the Independent Auditors

To the members of The Groundwork South Trust

Opinion

We have audited the financial statements of The Groundwork South Trust Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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.

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and the charities activities;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charitable company operates in. The key laws and regulations we considered in this context included the Charities Act 2011, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

As a result of performing the above, we did not identify any key matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

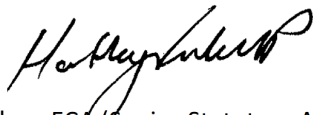
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provision of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing minutes of meetings of those charged with governance, reviewing internal reports, and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale for any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit

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

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.



Jonathan Askew FCA (Senior Statutory Auditor)
Hartley Fowler LLP Hartley Fowler LLP
Statutory Auditors
Chartered Accountants

4th Floor Tuition House
27-37 St George's Road
Wimbledon
London, SW19 4EU

Date: 20th September 2021

The Groundwork South Trust Limited

(A company limited by guarantee)

Registered Number: 01982077

Statement of Financial Activities for the year ended 31st March 2021

Including the Income and Expenditure Account

		Unrestricted Funds	Restricted Funds	31.3.21 Total Funds	31.3.20 Total Funds
	Notes	£	£	£	£
INCOME					
Donations and legacies	3	16,902	-	16,902	37,794
Charitable activities	4	2,055,160	2,635,833	4,690,993	5,966,739
Total Income		<u>2,072,03</u>	<u>2,635,833</u>	<u>4,707,895</u>	<u>6,004,533</u>
EXPENDITURE					
Charitable activities	5	2,159,449	2,539,494	4,698,943	5,924,996
Total expenditure		<u>2,159,449</u>	<u>2,539,494</u>	<u>4,698,944</u>	<u>5,924,996</u>
Net expenditure		(87,837)	96,339	8,952	79,537
Transfers between funds	14	96,339	(96,339)	-	-
Net expenditure before other recognised gains and losses		<u>8,952</u>	<u>-</u>	<u>8,952</u>	<u>79,537</u>
Net movement in funds		<u>8,952</u>	<u>-</u>	<u>8,952</u>	<u>79,537</u>
RECONCILIATION OF FUNDS					
Total Funds brought forward	14	(484,637)	-	(484,637)	(564,174)
TOTAL FUNDS CARRIED FORWARD		<u>(475,685)</u>	<u>-</u>	<u>(475,685)</u>	<u>(484,637)</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

The notes on pages 27 to 37 form part of these financial statements.

The Groundwork South Trust Limited

(A company limited by guarantee)

Registered Number: 01982077

Balance Sheet as at 31st March 2021

	Notes	31.3.21 £	31.3.20 £
FIXED ASSETS			
Intangible Assets	9	-	8,054
Tangible Assets	10	1,026,882	1,046,735
TOTAL FIXED ASSETS		1,026,882	1,054,789
CURRENT ASSETS			
Debtors	11	496,119	682,492
Cash at bank and in hand	17	246,933	200,062
TOTAL CURRENT ASSETS		743,052	882,554
LIABILITIES			
Creditors: amounts falling due within one year	12	(2,229,671)	(2,056,032)
NET CURRENT LIABILITIES		(1,486,619)	(1,173,478)
TOTAL ASSETS LESS CURRENT LIABILITIES		(459,737)	(118,689)
Creditors: Amounts falling due after more than one year	13	(15,948)	(365,948)
NET LIABILITIES		(475,685)	(484,637)
THE FUNDS OF THE CHARITY	14		
Unrestricted funds		(475,685)	(484,637)
TOTAL CHARITY FUNDS		(475,685)	(484,637)

The financial statements were approved by the Board of Trustees on 20th September 2021 and were signed on its behalf by:



.....
Trustee

The notes on pages 27 to 37 form part of these financial statements

The Groundwork South Trust Limited

(A company limited by guarantee)

Registered Number: 01982077

Cashflow statement for the year ended 31st March 2021

	Notes	31.3.21 £	31.3.20 £
Cash flows from operating activities	16	398,646	941,287
Cash flow from investing activities			
Investment income received		-	-
Purchase of tangible fixed assets		-	(5,800)
Net cash used in investing activities		-	(5,800)
Repayments of borrowings			
Cash outflows from new borrowings		(350,000)	(1,110,000)
Cash inflows from new borrowings		-	200,000
Interest paid		(1,775)	(40,077)
Net cash provided by financing activities		(351,775)	(950,077)
Net Increase/(decrease) in cash and cash equivalents		46,871	(14,590)
Cash and cash equivalents at the beginning of the year		200,062	214,652
Cash and cash equivalents at the end of the year	17	246,933	200,062

The notes on pages 27 to 37 form part of these financial statements

The Groundwork South Trust Limited

(A company limited by guarantee)

Registered Number: 01982077

Notes to the financial statements for the year ended 31st March 2021

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The Groundwork South Trust Limited 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 note(s).

1.2 Legal Form

The company is limited by guarantee. The member of the company is Groundwork London. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1.

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 charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity 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.

1.4 Income

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable. Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Grants are credited to the Statement of Financial Activities in the year in which they are received or become receivable under the terms of the grant agreements. Where grants are considered to be performance related, income is recognised to the extent that the services outlined in the funding agreement have been performed by the year end. Where income had been received but the related service had not been performed by the year end the balance is carried forward as deferred income.

1.5 Government Grants

Government grants are recognised when the entity has reasonable assurance that conditions attached to the grant will be complied with and that the grant will be received.

Revenue grants are recognised using the accrual model and are therefore recognised as income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. Revenue grants are measured at fair value, being the amount of cash receivable.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management costs.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.7 Going concern

The financial statements have been prepared on a going concern basis. This follows the agreement that is in place with Groundwork London for the provision of financial support. This financial support is expected to reduce once the new projects initiated in the year start to generate incoming resources.

1.8 Intangible fixed assets and amortisation

Amortisation is provided at the following rates:

Software	- 20% straight line
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1.9 Tangible fixed assets and depreciation

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments.

Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2% straight line
Floating classroom superstructure	- 25 years
Floating classroom fixtures and fittings	- 5 years
Motor vehicles	- 20% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 20% straight line

1.10 Interest receivable

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

1.11 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

1.12 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.

1.13 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.

1.14 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 charity 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.

1.15 Financial instruments

The charity 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.

1.16 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.17 Pensions

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

2 Significant judgments and estimates

In the application of the charitable company's accounting policies, which are described in note 1, the trustees are required to make judgemental, estimates and assumptions on accrued and deferred income.

Actual results may differ from their estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	31.3.21	31.3.20
	£	£	£	£
Donations	16,902	-	16,902	37,794
	<u>16,902</u>	<u>-</u>	<u>16,902</u>	<u>37,794</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.3.21 £	31.3.20 £
Grant income	<u>2,055,160</u>	<u>2,635,833</u>	<u>4,690,993</u>	<u>5,966,739</u>
Total 2020	<u>3,409,020</u>	<u>2,557,719</u>	<u>5,966,739</u>	

Grant income	31.3.21 £	31.3.20 £
Central Government	374,886	390,304
Local Authority	1,050,478	2,004,446
Lottery	1,013,697	630,715
Private	<u>2,251,932</u>	<u>2,941,274</u>
	<u>4,690,993</u>	<u>5,966,739</u>

Included within income from Local Authority are the following core grants:

	31.3.21 £	31.3.20 £
London Borough of Hillingdon	<u>7,000</u>	<u>7,000</u>

Included in grant income is £521,001 furlough grant income received from the government. The furlough grant income is apportioned to each charitable activity based on the furloughed staff in that activity.

5. Total resources expended

	Greener living and working £	Youth and employment £	Parks and open spaces £	31.3.21 £	31.3.20 £
Charitable activities					
Staff costs	1,345,192	374,461	513,796	2,233,449	2,595,548
Project costs	1,100,710	43,167	803,559	1,947,436	2,838,293
Sub total	2,445,902	417,628	1,317,355	4,180,885	5,433,841
Support costs					
Staff costs	82,630	20,031	62,673	165,334	165,142
Administration	5,925	1,436	4,493	11,854	11,098
Communications and IT	33,791	8,192	25,630	67,613	57,794
Accommodation	24,520	5,944	18,599	49,063	48,945
Recruitment & training	4,695	1,138	3,562	9,395	10,210
Marketing	-	-	-	-	-
Professional fees	13,211	3,203	10,020	26,434	31,080
Depreciation and amortisation	11,713	2,839	8,884	23,436	29,599
Management fee	29,987	7,269	22,744	60,000	60,000
Infrastructure costs	29,987	7,269	22,744	60,000	60,000
Other	18,706	4,535	14,188	37,429	9,787
Governance costs	3,748	909	2,843	7,500	7,500
Sub total	258,913	62,765	196,380	518,058	491,155
Total	2,704,815	480,393	1,513,735	4,698,943	5,924,996
Total resources expended 2020					
Charitable activities	3,633,028	583,175	1,217,638	5,433,841	
Support costs	314,537	43,919	132,699	491,155	
Total 2020	3,947,565	627,094	1,350,337	5,924,996	

6. NET INCOMING RESOURCES

	31.3.21 £	31.3.20 £
Government furlough grants	521,001	-

NET OUTGOING RESOURCES

	31.3.21 £	31.3.20 £
Auditors' remuneration – statutory audit	7,500	7,500
Depreciation – owned assets	19,853	39,123
Operating lease payments	65,000	84,013
Amortisation of intangible fixed assets	8,054	13,889

During the year no Trustees received any remuneration, benefits in kind or reimbursement for expenses (2020 - £NIL)

7. INTEREST PAYABLE AND FINANCING COSTS

Interest payable on the loans from group undertakings are included within Administration costs.

	31.3.21 £	31.3.20 £
Interest on loans from group undertakings	<u>1,775</u>	<u>40,077</u>

8. STAFF COSTS

Staff costs were as follows

	31.3.21 £	31.3.20 £
Wages and salaries	2,174,723	2,515,493
Social security costs	136,041	166,026
Pension costs	<u>178,857</u>	<u>241,763</u>
	<u>2,489,621</u>	<u>2,923,282</u>

The average number of employees during the year was as follows:	31.3.21 112	31.3.20 116
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Average expressed as a full time equivalent	31.3.21 88	31.3.20 95
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No employee received emoluments in excess of £60,000 in the year:

The key management personnel gross remuneration, which consisted of the executive management team and operations managers amounted to £83,263 in the year (2020: £94,017) and pension contributions of £9,611 (2020: £13,008).

9. INTANGIBLE FIXED ASSETS

Cost	Software £
At 1 April 2020	<u>69,442</u>
At 31 March 2021	<u>69,442</u>
Amortisation	
At 1 April 2020	61,388
Disposals	-
Charge for year	<u>8,054</u>
At 31 March 2021	<u>69,442</u>
Net Book Value	
At 31 March 2021	-
At 31 March 2020	<u>8,054</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Floating Classroom £
COST					
At 1 st April 2020	1,005,000	25,901	140,935	93,664	116,250
Additions	-	-	-	-	-
Disposals	-	(5,398)	(8,635)	(19,562)	-
At 31 st March 2021	<u>1,005,000</u>	<u>20,503</u>	<u>132,300</u>	<u>74,102</u>	<u>116,250</u>
DEPRECIATION					
At 1 st April 2020	46,900	25,901	128,814	91,550	41,850
Charge for year	8,400	-	4,941	1,862	4,650
Disposals	-	(5,398)	(8,635)	(19,562)	-
At 31 st March 2021	<u>55,300</u>	<u>20,503</u>	<u>125,120</u>	<u>73,850</u>	<u>46,500</u>
NET BOOK VALUE					
At 31 st March 2021	<u>949,700</u>	<u>-</u>	<u>7,180</u>	<u>252</u>	<u>69,750</u>
At 31 st March 2020	<u>958,100</u>	<u>-</u>	<u>12,121</u>	<u>2,114</u>	<u>74,400</u>

	Total Tangible Fixed Assets £
Cost	
At 1 April 2020	1,381,750
Additions	-
Disposals	(33,595)
At 31 March 2021	<u>1,348,155</u>
Depreciation	
At 1 April 2020	335,015
Charge for year	19,853
Disposals	(33,595)
At 31 March 2021	<u>321,273</u>
Net Book Value	
At 31 March 2021	<u>1,026,882</u>
At 31 March 2020	<u>1,046,735</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21 £	31.3.20 £
Trade debtors	388,827	530,637
Other debtors	2,616	745
Prepayments and accrued income	104,676	151,110
	<u>496,119</u>	<u>682,492</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21	31.3.20
	£	£
Bank loans and overdrafts	-	-
Trade creditors	135,934	313,291
Taxation and social security	104,168	136,235
Other creditors	226,897	208,000
Accruals and deferred income	<u>1,762,672</u>	<u>1,398,506</u>
	<u>2,229,671</u>	<u>2,056,032</u>

Deferred Income

	Balance at 1 April 2020	Amount Released to Incoming Resources	Amount Deferred in the Year	Balance at 31 March 2021
	£	£	£	£
Movements during the year	<u>1,288,738</u>	<u>1,288,738</u>	<u>1,643,086</u>	<u>1,643,086</u>

	Balance at 1 April 2019	Amount Released to Incoming Resources	Amount Deferred in the Year	Balance at 31 March 2020
	£	£	£	£
Movements during the year	<u>646,740</u>	<u>646,740</u>	<u>1,288,738</u>	<u>1,288,738</u>

Deferred income relates to income received for programmes with delivery in the following year.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.21	31.3.20
	£	£
Amounts owed to group undertakings (see note 21)	15,948	365,948
	<u>15,948</u>	<u>365,948</u>

14. STATEMENT OF FUNDS - 2021

	Brought forward	Incoming Resources	Resources Expended	Transfers In / (Out)	Carried Forward
	£	£	£	£	£
Unrestricted Funds					
General funds	(484,637)	2,072,062	(2,159,450)	96,338	(475,685)
Restricted Funds					
Greener living and working	-	860,726	(829,176)	(31,550)	-
Youth and employment	-	317,769	(431,029)	113,260	-
Parks and open spaces	-	1,457,336	(1,279,288)	(178,048)	-
Total Restricted Funds	-	2,635,833	(2,539,494)	(96,338)	-
Total Funds	(484,637)	4,707,895	(4,698,943)	-	(475,685)

Restricted Funds

Greener Living and Working - to help people save energy, water, money and reduce their impact on the environment.

Youth and Employment - to support Young People to develop their skills and find jobs. To provide employment and to support offenders, ex-offenders and those likely to offend. Parks and Open Spaces - to protect and improve parks and open spaces for the benefit of local communities.

14. STATEMENT OF FUNDS (continued)

Transfer between funds:

During the year a transfer from restricted funds to unrestricted funds of £96,338 (2020: £37,839).

Funds are transferred from restricted to unrestricted at the year- end on the basis that no restrictions exist on the income and expenditure recognised.

STATEMENT OF FUNDS - 2020

	Brought forward	Incoming Resources	Resources Expended	Transfers In / (Out)	Carried Forward
	£	£	£	£	£
Unrestricted Funds					
General funds	(564,174)	3,446,814	(3,405,116)	37,839	(484,637)
Restricted Funds					
Greener living and working	-	873,114	(882,631)	9,517	-
Youth and employment	-	550,879	(617,780)	66,901	-
Parks and open spaces	-	1,133,726	(1,019,469)	(114,257)	-
Total Restricted Funds	-	2,557,719	(2,519,880)	(37,839)	-
Total Funds	(564,174)	6,004,533	(5,924,996)	-	(484,637)

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	31.3.21 Unrestricted funds £	31.3.20 Unrestricted funds £
Intangible fixed assets	-	8,054
Tangible fixed assets	1,026,882	1,046,735
Current assets	743,052	882,554
Creditors due within one year	(2,229,671)	(2,056,032)
Creditors due in more than one year	(15,948)	(365,948)
	<u>(475,685)</u>	<u>(484,637)</u>

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

	31.3.21 £	31.3.20 £
Net expenditure for the year (as per Statement of Financial Activities)	8,952	79,537
Adjustment for:		
Depreciation and Amortisation charges	27,907	53,012
Interest paid	1,776	40,077
Increase /Decrease in debtors	186,373	107,265
Increase/Decrease in creditors	173,638	661,396
Cash flows from operating activities	<u>398,646</u>	<u>941,287</u>

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.3.21 £	31.3.20 £
Cash in hand	246,933	200,062
	<u>246,933</u>	<u>200,062</u>

18. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2020 £	Cash flows £	Other Non- cash change £	At 31 Mar 2021 £
Cash and Cash equivalents				
Cash	200,062	46,871	-	246,933
Overdrafts	-	-	-	-
Cash equivalents	-	-	-	-
	<u>200,062</u>	<u>46,871</u>	<u>-</u>	<u>246,933</u>
Borrowings				
Debt due within 1 year	-	-	-	-
Debt due after 1 year	(365,748)	350,000	-	(15,748)
	<u>(365,748)</u>	<u>350,000</u>	<u>-</u>	<u>(15,748)</u>
Total	<u>(165,686)</u>	<u>396,871</u>	<u>-</u>	<u>231,185</u>

18. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge representing contributions payable to the fund amounted to £178,857 (2020: £241,763).

Contributions totalling £15,321 (2020: £24,754) were payable to the fund at the balance sheet date and are included in creditors.

19. OPERATING LEASE COMMITMENTS

	31.3.21	31.3.20
	£	£
Amounts payable		
Within 1 year	78,822	81,306
Between 1 and 5 years	261,860	306,097
After more than 5 years	-	33,860

20. RELATED PARTY TRANSACTIONS

During the year, Groundwork London provided £0 funds (2020: £200,000) to the charity, and £350,000 (2020: £1,110,000) was repaid during the year. At the year end, £15,948 (2019: £365,948) was due to Groundwork London. Interest is charged at 2.85% above the Bank of England base rate, monthly in arrears. The freehold property of the charity has been pledged as security on these funds.

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Charity's ultimate parent undertaking is Groundwork London. The charity is controlled by its Trustees. The results of the charity are consolidated in the accounts of Groundwork London and consolidated accounts can be obtained from its registered office at 18-21 Morley Street, London, SE1 7QZ or from the Charity Commission website.

22. CAPITAL COMMITMENTS

As part of the conditions of a grant agreement between Groundwork South and the Football Foundation in respect of Saltmill Pitch in Cornwall, Groundwork South is required to maintain the pitch to the FA standard. As well as annual maintenance inspections, the pitch had its routine, three-year inspection in 2017 and, following some repairs, was awarded a further three years registration. The pitch was due to be inspected in 2020 but, as a result of Covid-19 lockdowns, this was extended until May 2021. Groundwork South's Board agreed to commence the works in summer 2021 and a Contractor has been appointed to deliver the works with a contracted value of £193k.