

# **Annual Report and Financial Statements 2021/22**

## **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 2022/23	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 <sup>st</sup> March 2022	24
Balance Sheet as at 31 <sup>st</sup> March 2022	25
Cash Flow Statement for the year ended 31 <sup>st</sup> March 2022	26
Notes to the Financial Statements	27-37

## Report of the Trustees for the year ending 31 March 2022

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 2022 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 & Executive Directors Introduction

We are pleased to present Groundwork South's Annual Report and Accounts for the year ending March 2022. 2021/22 was another very challenging year for us all, and one in which Groundwork South managed their way through many difficulties with strong teamwork, hybrid working and seeking out emerging opportunities in the post-Covid landscape.

The furlough scheme continued to be very helpful through to September 2021 and the management demands of the transition into and out of it were substantial for the team. The residential courses at the Outdoor Centres were able to resume in June 2021 and the feedback of positive impacts for their pupils after long periods of lockdowns and isolation caused by Covid-19 were typical of the positive impact the team had during the year. As part of the recovery process, we saw major funders launching new approaches and strategies, particularly in areas with deprivation, and the team have been successful in getting new commissions as a result. However, we anticipate that the costs of living crisis will present new challenges going forward.

Ending the year, having continued to deliver so many services, with a significant surplus is an incredible result and a real milestone for Groundwork South of which we are very proud.

The leadership team continued to work very long hours with great skill to further evolve strategy and ways of working and succeeded in taking the staff team with them.

We would like to take this opportunity to extend our sincere thanks again 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 our shared Executive and specialist service management, partnership programme delivery, as well loans, when needed, 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. This enabled us, despite Covid to deliver a wide array of services and programmes across the South of England.

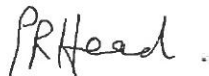
With a focus on **Creating Better Places**, we supported people to work collectively to make their surroundings greener, more resilient, safer, and healthier and to be actively involved in their communities and neighbourhoods.

We are even more aware of climate change impacts, increasing pressure on natural resources and rocketing 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, appearing to read 'P Head'.

**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 30<sup>th</sup> 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 2021/22 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, 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 act responsibly to reduce natural resource use 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 2021/22 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 £2.5M Landscape Partnership to deliver landscape, biodiversity and public access improvements and community engagement. This programme was extended by another 9 months till September 2022.

With funding secured from the governments Green Recovery Challenge Fund a green team was launched in the Colne Valley Park delivering environmental/conservation improvements and training/supporting 10 young people – 2 of whom we have been able to support into full time employment upon completion of their 6 month traineeship. Rivers projects have continued including working in partnership with Groundwork East, Watford Borough Council (and other partners) on development of a £multi-million project to address poor river quality through Watford.

We have been raising awareness on the challenges facing the Green Belt arising from multiple ad-hoc development proposals, most of which are made outside of local democratic planning processes. The cumulative effects of this loss of huge areas of Green Belt are not being planned for or properly mitigated for. We are seeking to change local and national government perceptions of green belt to focus on its positive benefits to local people.

In the **Combe Valley Countryside Park**, we are the Managing Agent for Combe Valley Community Interest Company (CVCIC) and are working with the CIC board and a range of stakeholders to deliver the 5 year 'activation' and fundraising plan (2020 -2025). We launched a new Defra funded Green Recovery Challenge Fund programme in the park, creating job opportunities and delivering a range of biodiversity enhancement projects.

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. This was opened in August 2021 with Groundwork managing the Visitor Centre and a café concession.

The Heritage Lottery funded **Hidden Hastings Heritage (HHH) Project** concluded and has improved 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.

For a third year we continued to lead the sustainable 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. The project is primarily funded through the Green Recovery Challenge Fund, employing three members of staff, 10 kickstart countryside trainees and volunteer River Rangers. The fund also gives us the opportunity to make capital improvements to the park through incorporating natural flood management techniques into the catchment which also enhances the area for the local community and wildlife.

Our successful community engagement work around Westerland Valley has enabled us to extend our portfolio of projects in Torbay, including leading a two year funded **Green Influencers Youth Project**, where we worked with 120 Year 6 and Year 7 pupils to connect them with their local green spaces, a **Cool Climate Youth Project** to support young people with climate anxiety and an **Edible Earth** 'test and learn' project, to enable the Community to create growing schemes across the Bay to support Torbay Council's agenda to reduce food poverty and improve health and wellbeing.

In 2021/2022 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 sixth 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.

We also administered the **Heathrow Community** Trust grants programme. Due to Covid-19 the team has continued to largely focus efforts on supporting existing projects/groups with the delivery and monitoring of their projects. We helped administer some lottery funding in Hillingdon, through HCT, and began the process of promoting new grant rounds for 2022.

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.

Our **Goblin Combe Centre**, with the aid of a group of dedicated volunteers 'Guardians' of Goblin Combe and friends of Goblin Combe group who undertake weekly activities at the site we are preparing for full opening in 2022. During the year the Centre has been used by community based organisations supporting young people and children.

The **Iver Environment Centre**, in partnership with National Grid continues to provide high quality environmental education to schools, families and volunteers (with a particular focus on volunteering opportunities for adults with additional needs). Having being impacted by school closures and reduced bookings in 2021 the team focussed on building their offer for young people in other ways, with drop off days and grant funded opportunities for young people to engage in social action. The nature of primary school bookings have changed to reflect the current needs of students with greater demand for "teambuilding" activities for older children. The site improvements have continued with a biodiverse meadow island surrounded by a bog garden moat now standing alongside the new wildlife pond. Other improvements have been designed to increase capacity of the site, with the construction two new outdoor teaching spaces. The volunteer programme is going from strength to strength with a popular monthly weekend session well attended by people of all ages and backgrounds.

**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, concluding a woodland creation project at Ockwells Park in March 2022, supporting other conservation and interpretation projects in nature reserves and wildlife sites, and seeking potential funding for an extensive wetland creation scheme.

**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 holiday play

sessions, 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 to access healthy affordable food whilst diverting c. 500kg of surplus food from landfill each week.

The team continue to work in line with The Vench's strategy and business plan, featuring ambitions for the Centre beyond Covid-19. This includes expansion of our wellbeing work, a pop-up community café (subject to Covid-19 restrictions), building on our successful space hire by developing new partnerships, and maintaining current hirers including Creative Youth Network, Life Cycle, Incredible Kids, National Autism Society and Home Education groups. Added to this we have recently agreed a long-term sub-lease with a local Forest School, Little Foxes, who now have a portacabin on site.

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** empowered 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 worked 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.

The programme drew to a close in September 2021, with our main focus in the final stages of the programme being on building the confidence of those young people engaged in the programme to continue the legacy in their parks and supporting Friends of Park Groups with toolkits to cement their learning around facilitating youth participation. Over the three-year programme, Future Proof Parks engaged 308 young people across 8 parks in Bristol. Young people and FoPG members contributed 2,420 volunteer hours to the project, delivering 185 youth-led heritage activities.

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.

**Greener Futures** our CHART (Connecting Hastings and Rother Together) ESF funded project commenced during Covid-19 social distancing/lockdown in 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 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. We now have 220 participants (145 women and 75 men) from 30 nationalities registered to the programme in Bristol, referred to us through our partners, networks and word of mouth. These participants attend ESOL classes, employment sessions and/or create and communicate sessions, and we've also been running a Living Well programme in partnership with

Groundwork London, including women's health sessions focusing on Breast cancer, cervical screening and combatting loneliness, and a men's health session focusing on both physical and mental health.

A number of **NEET and 'at risk' of becoming NEET programmes** successfully started in Plymouth and South East Cornwall this year. These included **COMPASS**, an ESF project subcontracted from Careers South West to support 37, 15-18 year olds living in Cornwall. An **Empowering Enterprise** ESF, National Lottery funded programme to support 32, 18-24 years olds in Plymouth and our **Experience Works** project subcontracted through Petroc College to support 15-18 year olds in schools in Plymouth, who are at risk of falling out of education. In January 2022 we have seen a significant increase in our referral rates to support young people affected by the pandemic, in particular those struggling to re-engage with education and those without permanent accommodation.

In 2017 we took over the operation of Oxfordshire County Council's Oxfordshire Outdoors Service, with a 25-year contract to manage three outdoor activity centres. 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. The centres were able to resume residential courses after June 2021 having not been able to hold residential visits since March 2020. The residential course have been a fantastic success with schools reporting positive impacts for their pupils after long periods of lockdowns and isolation caused by Covid.

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 have 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. Thanks to further support from The National Lottery, the programme has now been extended to May 2024; with a sub-project in partnership with Aviva and the British Red Cross, focused on piloting a new concept of community resilience hubs, soon to commence alongside this.

The programme has adapted during Covid-19 to deliver all community activities online, running over 50 webinars to date for communities across Yorkshire, East Midlands, West Midlands, Somerset, Wiltshire, Dorset, Northumberland and more. Over 550 participants have been engaged to date, including both community volunteers and professional partners. The programme's online hub, featuring resources, blogs, community stories and a member's forum, now has a membership of over 800, and this continues to grow.

**Spark** funded by Energy Redress has enabled us to deliver our Green Doctor Advice service across Kent and Medway. Since the project launch in January 2020 we have delivered 293 telephone consultations, engaged 783 people with light touch energy saving advice in the community and have trained 226 frontline worker in fuel poverty awareness.

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

2021/22 continued to be an incredibly challenging year for us all. Our success can be credited to our staff teams continuing to adapt to hybrid ways of working and adapting delivery to manage Covid risks, including for our clients. Also 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 £6.6m with expenditure of £6.408m, resulting in a surplus for the year of £192k

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:

	£
Central Government	658,705
Local Authorities	1,732,391
Private Sector	3,630,812
National Lottery	578,437
	<u>6,600,345</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	4,093,440
Youth & Employment	811,059
Parks & Open Spaces	1,503,940
	<u>6,408,439</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 for use as and when Groundwork South requires it. The balance on the loan at 31<sup>st</sup> March 2022 was £0 (2021 £15,948).

## Future Plans 2022/23

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 services to meet the needs of communities in the South of England

During 2022/23 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 a portfolio of open grant programmes and providing grant 'enabler' support for community groups bidding to grant programmes managed by Groundwork UK.
- Managing the Colne Valley Regional Park and Combe Valley Countryside Park; supporting Hastings Country Park through the management of the Bale House Visitor Centre; developing the Westerland Valley and our own Goblin Combe Woodland; 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, organisations and businesses.
- Providing opportunities for the corporate sector to engage with local communities by volunteering.
- Providing advice and guidance on environmental sustainability to businesses and organisations.

**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 deliver targets and performance requirements in 'payment by results and other contracts
- Poor performance and partner dissatisfaction with the quality of delivery
- Failure to achieve our full cost recovery strategy, missing utilisation targets and chargeable rates
- Operational, reputational 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 2022/23 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:

<b>Trustees</b>	D Davidson P Head M Dowd J Sutherland
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<b>Company Secretary</b>	S Harrison
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<b>Key management personnel:</b>	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.

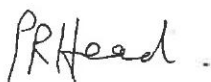
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### 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

P. R. HEAD

Date: 5<sup>th</sup> September 2022

## 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 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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](http://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: 5<sup>th</sup> September 2022

## The Groundwork South Trust Limited

(A company limited by guarantee)

Registered Number: 01982077

### Statement of Financial Activities for the year ended 31<sup>st</sup> March 2022

#### Including the Income and Expenditure Account

		Unrestricted Funds	Restricted Funds	31.3.22 Total Funds	31.3.21 Total Funds
	Notes	£	£	£	£
<b>INCOME</b>					
Donations and legacies	3	29,823	-	29,823	16,902
Charitable activities	4	3,401,088	3,169,434	6,570,522	4,690,993
<b>Total Income</b>		<b>3,430,911</b>	<b>3,169,434</b>	<b>6,600,345</b>	<b>4,707,895</b>
<b>EXPENDITURE</b>					
Charitable activities	5	3,329,642	3,078,797	6,408,439	4,698,943
<b>Total expenditure</b>		<b>3,329,642</b>	<b>3,078,797</b>	<b>6,408,439</b>	<b>4,698,944</b>
<b>Net expenditure</b>		<b>101,269</b>	<b>90,637</b>	<b>191,906</b>	<b>8,952</b>
Transfers between funds	14	90,637	(90,637)	-	-
<b>Net expenditure before other recognised gains and losses</b>		<b>191,906</b>	<b>-</b>	<b>191,906</b>	<b>8,952</b>
<b>Net movement in funds</b>		<b>191,906</b>	<b>-</b>	<b>191,906</b>	<b>8,952</b>
<b>RECONCILIATION OF FUNDS</b>					
Total Funds brought forward	14	(475,685)	-	(475,685)	(484,637)
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>(283,779)</b>	<b>-</b>	<b>(283,779)</b>	<b>(475,685)</b>

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 31<sup>st</sup> March 2022

	Notes	31.3.22 £	31.3.21 £
<b>FIXED ASSETS</b>			
Intangible Assets	9	-	-
Tangible Assets	10	1,010,551	1,026,882
<b>TOTAL FIXED ASSETS</b>		1,010,551	1,026,882
<b>CURRENT ASSETS</b>			
Debtors	11	1,159,989	496,119
Cash at bank and in hand	17	870,587	246,933
<b>TOTAL CURRENT ASSETS</b>		2,030,576	743,052
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year	12	(3,324,906)	(2,229,671)
<b>NET CURRENT LIABILITIES</b>		(1,294,330)	(1,486,619)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(283,779)	(459,737)
Creditors: Amounts falling due after more than one year	13	-	(15,948)
<b>NET LIABILITIES</b>		(283,779)	(475,685)
<b>THE FUNDS OF THE CHARITY</b>	14		
Unrestricted funds		(283,779)	(475,685)
<b>TOTAL CHARITY FUNDS</b>		(283,779)	(475,685)

The financial statements were approved by the Board of Trustees on 5<sup>th</sup> September 2022 and were signed on its behalf by:

  
 .....  
 Trustee **P. R. HEAD**

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 31<sup>st</sup> March 2022

	Notes	31.3.22 £	31.3.21 £
<b>Cash flows from operating activities</b>	16	647,689	398,646
<b>Cash flow from investing activities</b>			
Investment income received		-	-
Purchase of tangible fixed assets		-	-
<b>Net cash used in investing activities</b>		-	-
<b>Repayments of borrowings</b>			
Cash outflows from new borrowings		(440,948)	(350,000)
Cash inflows from new borrowings		425,000	-
Interest paid		(8,087)	(1,775)
<b>Net cash provided by financing activities</b>		(24,035)	(351,775)
<b>Net Increase/(decrease) in cash and cash equivalents</b>		623,654	46,871
Cash and cash equivalents at the beginning of the year		246,933	200,062
<b>Cash and cash equivalents at the end of the year</b>	17	870,587	246,933

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 31<sup>st</sup> March 2022**

### **1. ACCOUNTING POLICIES**

#### **1.1 Basis of preparation of financial statements**

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

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	31.3.22	31.3.21
	£	£	£	£
Donations	29,823	-	29,823	16,902
	<u>29,823</u>	<u>-</u>	<u>29,823</u>	<u>16,902</u>

#### 4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.3.22 £	31.3.21 £
Grant income	<u>3,401,088</u>	<u>3,169,434</u>	<u>6,570,522</u>	<u>4,690,993</u>
Total 2021	<u>2,055,160</u>	<u>2,635,833</u>	<u>4,690,993</u>	

Grant income	31.3.22 £	31.3.21 £
Central Government	658,705	374,886
Local Authority	1,732,391	1,050,478
Lottery	578,437	1,013,697
Private	<u>3,600,989</u>	<u>2,251,932</u>
	<u>6,570,522</u>	<u>4,690,993</u>

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

	31.3.22 £	31.3.21 £
London Borough of Hillingdon	<u>-</u>	<u>7,000</u>

Included in grant income is £54,944 furlough grant income received from the government (2021 : £521,001). 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 £	31.3.22 £	31.3.21 £
<b>Charitable activities</b>					
Staff costs	1,591,329	539,063	599,116	2,729,508	2,233,449
Project costs	2,202,416	77,234	821,874	3,101,524	1,947,436
<b>Sub total</b>	<b>3,793,745</b>	<b>616,297</b>	<b>1,420,990</b>	<b>5,831,032</b>	<b>4,180,885</b>
<b>Support costs</b>					
Staff costs	121,089	21,467	32,348	174,904	165,334
Administration	17,352	3,076	4,635	25,063	11,854
Communications and IT	60,226	10,677	16,089	86,992	67,613
Accommodation	37,038	6,566	9,895	53,499	49,063
Recruitment & training	10,529	1,867	2,814	15,210	9,395
Marketing	535	95	143	773	-
Professional fees	31,330	5,554	8,369	45,253	26,434
Depreciation and amortisation	10,352	1,835	2,765	14,952	23,436
Management fee	41,539	7,364	11,097	60,000	60,000
Infrastructure costs	41,539	7,364	11,097	60,000	60,000
Other	23,028	4,082	6,151	33,261	37,429
Governance costs	5,192	921	1,387	7,500	7,500
<b>Sub total</b>	<b>399,749</b>	<b>70,868</b>	<b>106,790</b>	<b>577,407</b>	<b>518,058</b>
<b>Total</b>	<b>4,193,494</b>	<b>687,165</b>	<b>1,527,780</b>	<b>6,408,439</b>	<b>4,698,943</b>
<b>Total resources expended 2021</b>					
Charitable activities	2,445,902	417,628	1,317,355	4,180,885	
Support costs	258,913	62,765	196,380	518,058	
<b>Total 2021</b>	<b>2,704,815</b>	<b>480,393</b>	<b>1,513,735</b>	<b>4,698,943</b>	

## 6. NET INCOMING RESOURCES

	31.3.22 £	31.3.21 £
Government furlough grants	54,944	521,001

## NET OUTGOING RESOURCES

	31.3.22 £	31.3.21 £
Auditors' remuneration – statutory audit	7,500	7,500
Depreciation – owned assets	16,331	19,853
Operating lease payments	83,500	65,000
Amortisation of intangible fixed assets	-	8,054

During the year no Trustees received any remuneration, benefits in kind or reimbursement for expenses (2021 - £NIL)

## 7. INTEREST PAYABLE AND FINANCING COSTS

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

	31.3.22	31.3.21
	£	£
Interest on loans from group undertakings	8,087	1,775

## 8. STAFF COSTS

Staff costs were as follows

	31.3.22	31.3.21
	£	£
Wages and salaries	2,799,909	2,174,723
Social security costs	192,951	136,041
Pension costs	177,826	178,857
	<u>3,170,686</u>	<u>2,489,621</u>

	31.3.22	31.3.21
The average number of employees during the year was as follows:	138	112

	31.3.21	31.3.21
Average expressed as a full time equivalent	108	88

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 £83,819 in the year (2021: £83,263) and pension contributions of £7,839 (2021: £9,611).

## 9. INTANGIBLE FIXED ASSETS

Cost	Software £
At 1 April 2021	69,442
At 31 March 2022	<u>69,442</u>
<b>Amortisation</b>	
At 1 April 2021	69,442
Disposals	-
Charge for year	-
At 31 March 2022	<u>69,442</u>
<b>Net Book Value</b>	
At 31 March 2022	<u>-</u>
At 31 March 2021	<u>-</u>

## 10. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Floating Classroom £
<b>COST</b>					
At 1 <sup>st</sup> April 2021	1,005,000	20,503	132,300	74,102	116,250
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 <sup>st</sup> March 2022	<u>1,005,000</u>	<u>20,503</u>	<u>132,300</u>	<u>74,102</u>	<u>116,250</u>
<b>DEPRECIATION</b>					
At 1 <sup>st</sup> April 2021	55,300	20,503	125,120	73,850	46,500
Charge for year	8,400	-	3,029	252	4,650
Disposals	-	-	-	-	-
At 31 <sup>st</sup> March 2022	<u>63,700</u>	<u>20,503</u>	<u>128,149</u>	<u>74,102</u>	<u>51,150</u>
<b>NET BOOK VALUE</b>					
At 31 <sup>st</sup> March 2022	<u>941,300</u>	<u>-</u>	<u>4,151</u>	<u>-</u>	<u>65,100</u>
At 31 <sup>st</sup> March 2021	<u>949,700</u>	<u>-</u>	<u>7,180</u>	<u>252</u>	<u>69,750</u>

	Total Tangible Fixed Assets £
<b>Cost</b>	
At 1 April 2021	1,348,155
Additions	-
Disposals	-
At 31 March 2022	<u>1,348,155</u>
<b>Depreciation</b>	
At 1 April 2021	321,273
Charge for year	16,331
Disposals	-
At 31 March 2022	<u>337,604</u>
<b>Net Book Value</b>	
At 31 March 2022	<u>1,010,551</u>
At 31 March 2021	<u>1,026,882</u>

## 11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22 £	31.3.21 £
Trade debtors	946,888	388,827
Other debtors	-	2,616
Prepayments and accrued income	213,101	104,676
	<u>1,159,989</u>	<u>496,119</u>

## 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Bank loans and overdrafts	-	-
Trade creditors	975,864	135,934
Taxation and social security	75,055	104,168
Other creditors	185,714	226,897
Accruals and deferred income	2,088,273	1,762,672
	<u>3,324,906</u>	<u>2,229,671</u>

### Deferred Income

	Balance at 1 April 2021	Amount Released to Incoming Resources	Amount Deferred in the Year	Balance at 31 March 2022
	£	£	£	£
Movements during the year	<u>1,643,086</u>	<u>1,643,086</u>	<u>1,914,227</u>	<u>1,914,227</u>

	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>

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

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

	31.3.22	31.3.21
	£	£
Amounts owed to group undertakings (see note 21)	-	15,948
	<u>-</u>	<u>15,948</u>

#### 14. STATEMENT OF FUNDS - 2022

	Brought forward	Incoming Resources	Resources Expended	Transfers In / (Out)	Carried Forward
	£	£	£	£	£
<b>Unrestricted Funds</b>					
General funds	(475,685)	3,430,911	(3,329,642)	90,637	(283,779)
<b>Restricted Funds</b>					
Greener living and working	-	1,731,253	(1,683,285)	(47,968)	-
Youth and employment	-	417,426	(376,559)	(40,867)	-
Parks and open spaces	-	1,020,755	(1,018,953)	(1,802)	-
Total Restricted Funds	-	3,169,434	(3,078,797)	(90,637)	-
<b>Total Funds</b>	<b>(475,685)</b>	<b>6,600,345</b>	<b>(6,408,439)</b>	<b>-</b>	<b>(283,779)</b>

#### 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 £90,637 (2021: £96,338).

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 - 2021

	Brought forward	Incoming Resources	Resources Expended	Transfers In / (Out)	Carried Forward
	£	£	£	£	£
<b>Unrestricted Funds</b>					
General funds	(484,637)	2,072,062	(2,159,450)	96,338	(475,685)
<b>Restricted Funds</b>					
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)	-
<b>Total Funds</b>	<b>(484,637)</b>	<b>4,707,895</b>	<b>(4,698,943)</b>	<b>-</b>	<b>(475,685)</b>

# 15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	31.3.22 Unrestricted funds £	31.3.21 Unrestricted funds £
Intangible fixed assets	-	-
Tangible fixed assets	1,010,551	1,026,882
Current assets	2,030,576	743,052
Creditors due within one year	(3,324,906)	(2,229,671)
Creditors due in more than one year	-	(15,948)
	<u>(283,779)</u>	<u>(475,685)</u>

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

	31.3.22 £	31.3.21 £
Net expenditure for the year (as per Statement of Financial Activities)	191,906	8,952
<b>Adjustment for:</b>		
Depreciation and Amortisation charges	16,331	27,907
Interest paid	8,087	1,776
(Increase) /Decrease in debtors	(663,870)	186,373
Increase in creditors	1,095,235	173,638
<b>Cash flows from operating activities</b>	<u>647,689</u>	<u>398,646</u>

# 17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.3.22 £	31.3.21 £
Cash in hand	<u>870,587</u>	<u>246,933</u>
	<u>870,587</u>	<u>243,933</u>

# 18. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2021 £	Cash flows £	Other Non- cash change £	At 31 Mar 2022 £
<b>Cash and Cash equivalents</b>				
Cash	246,933	623,654	-	870,587
Overdrafts	-	-	-	-
Cash equivalents	-	-	-	-
	<u>246,933</u>	<u>623,654</u>	<u>-</u>	<u>870,587</u>
<b>Borrowings</b>				
Debt due within 1 year	-	-	-	-
Debt due after 1 year	(15,948)	15,948	-	-
	<u>(15,948)</u>	<u>15,948</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>230,985</u>	<u>639,602</u>	<u>-</u>	<u>870,587</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 £177,826 (2021: £178,857).

Contributions totalling £21,000 (2021: £15,321) were payable to the fund at the balance sheet date and are included in creditors.

## 19. OPERATING LEASE COMMITMENTS

	31.3.22 £	31.3.21 £
<b>Amounts payable</b>		
Within 1 year	83,766	78,822
Between 1 and 5 years	206,645	261,860
After more than 5 years	-	-

## 20. RELATED PARTY TRANSACTIONS

During the year, Groundwork London provided £425,000 funds (2021: £ nil) to the charity, and £440,948 (2021: £350,000) was repaid during the year. At the year end, £0 (2021: £15,948) 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.