

Annual Report and Financial Statements 2022/23

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

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

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Report of the Trustees for the year ending 31 March 2023

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 2023 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's Introduction

We are pleased to present Groundwork South's Annual Report and Accounts for the year ending March 2023. 2022/23 was another very challenging year for us all, one in which Groundwork South managed their way through many difficulties, some new-some old, with strong teamwork and seeking out emerging opportunities in what still felt like a post-COVID landscape.

We had our first full year of residential courses at the Outdoor Centres once more and there was excellent feedback of positive impacts for pupils after long periods of lockdowns and isolation caused by COVID and more bookings came as a result. This felt like a year when Groundwork South was becoming a more mature and resilient operation with growing substantial impacts in many areas of community need.

We saw major funders launch new approaches and strategies particularly in areas affected by the cost of living crisis, and we have been able to apply our expertise and this new funding to launch and grow programmes to support these communities, particularly with energy costs.

We are also delivering water saving and flood management projects related to increased focus on climate change risks. The team have been successful in getting new commissions as a result and are gaining UK wide interest for some of their work.

Ending the year with a positive financial position and an increased set of beneficial community outcomes, is another incredible result and shows that firm foundations for the future that are now being laid down.

We are all very proud of these achievements.

The outstanding leadership team continued to work very long hours with great skill to further evolve strategy and ways of working alongside a talented and dedicated staff team.

We would like to take this opportunity to extend our sincere thanks again to our staff team who delivered work to high quality standards 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 again 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. No loans were outstanding at the year end.

We continue to work closely with the rest of the Groundwork Federation and, in collaboration, deliver several national programmes of work.

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 is 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, reading "P Head", followed by a period. 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.

Our Approach

- **We put the right tools in people's hands** - we provide targeted support tailored to address the specific needs of vulnerable people and diverse communities
- **We engage with everyone who has a stake in a place** - we work together with individuals, communities, Local Authorities and other public sector organisations, regional bodies and the private sector to deliver positive change across the South of England
- **We address as many issues as possible with the same investment** - we apply our skills and experience and build partnerships that enable us to deliver maximum impact for communities and maximum value for money for those who help us do it
- **We support those in most need** – we will operate as a professional, business-like organisation, delivering high quality services to achieve the greatest possible impact for the communities we serve

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 2022/23 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 will be driven by:

- Increasing the quality, consistency and efficiency of our operations
- Innovation and development of our services.
- Securing income from diverse sources.
- Building long-term local and strategic partnerships and relationships.
- Fostering participative and integrated working across our staff teams.

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 2022/23 we delivered a wide range of services to support communities and individuals across the Southeast and Southwest of England. 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 Colne Valley Landscape Partnership to deliver landscape, biodiversity and public access improvements and community engagement. This four-year programme is now in its final stages as we work on developing a legacy for this successful partnership

We continued our green team work in the Colne Valley Park delivering environmental/conservation improvements and training/supporting 15 people and helping them into full time employment. Rivers projects have continued including installing fish-passes on weirs to help Eels complete their 3000-mile journey from their breeding grounds in the Sargasso Sea; engaging 100's of volunteers on controlling invasive Non-Native Species that are choking our waterways; and citizen science projects to monitor the health of our rivers addressing poor river quality through Watford (in partnership with Groundwork East).

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. Through the Colne Valley's 'planning for the Green Belt' project we are seeking to change local and national government perceptions of green belt to focus on its positive benefits to local people including access to nature, food production, and the proven health and wellbeing benefits that high quality green space brings.

In the **Combe Valley Countryside Park**, we are the Managing Agent for Combe Valley CIC (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 delivered the Defra funded Green Recovery Challenge Fund programme in the park, creating 12 new job opportunities and delivering a range of biodiversity enhancement projects.

Our schools and education programme has seen 7 x Schools/educational groups engaged in high quality; national curriculum linked sessions. 675 children and 113 adults actively engaged. We have facilitated or support 25 community activities ranging from Dormice mitigation path work; Harvest mouse ecology and survey training, basic tree ID course and conservation volunteering at Filsham reedbeds.

We manage **The Bale House** - Visitor Centre and Café, built with financial support provided by European Interreg UpStraw Funding, is in Hastings Country Park and Nature Reserve. The Bale House continues to grow in popularity with an estimated 56,500 visitors since April 2022. The Bale House facilitates many unique interactions with a wide variety of user groups from walkers to bird watchers, historians, and in every age range from children to the elderly. Professionals use the space alongside young families, and it is extremely popular for people with learning difficulties and their carers. The interactive TV presentations about the straw bale building and the radar live website helps identify types of marine vessels in the Channel in real time. 250 family and community activities were delivered in 4 months over the summer.

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. As a legacy to the HHH project, National Lottery Jubilee funding was secured in partnership with the Friends of Hastings Country Park Nature Reserve to continue providing a wide range of conservation, heritage, and nature-based arts activities in the park, with over 130 volunteers involved and the production of 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 Southwest.

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 gave 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.

Since the project began, 1.16 acres of wet woodland has been created along with ponds, dam repaired, 200m bankside stabilisation and the naturalisation of the upper reaches of the Clennon waterway. Our engagement programme has seen 294 school children involved in river conservation and 1643 volunteering hours delivered. Our successful community engagement work around Westerland Valley has enabled us to extend our portfolio of projects in Torbay, including **Edible Earth** a '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 2022/23 the Trust continued to deliver the **Tesco Community Grants**. This was the sixth year of the programme. The scheme funds a wide array of activities and projects and designed by community groups. During the year we helped over 500 projects to receive almost £500k in grant allocation. We have also continued to provide grants administration support to the **Heathrow Community Trust**, which has slowly started to award funding to pre-Covid levels.

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. We also supported businesses at Cressex to establish the Cressex Business Park aimed at tackling challenges and creating opportunities for improvement linked to transport, image, signage, and security.

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** reopened as planned in spring 2022, with the aid of a group of dedicated volunteers, the 'Guardians' of Goblin Combe and friends of Goblin Combe group who undertake weekly activities at the site. During the year, the Centre has been used by community-based organisations supporting adults, young people, and children, and alongside this we have continued to build local partnerships, most notably with Bristol Airport Ltd, and secure other funding to enhance the site.

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). During the year there were 958 community events with 1990 education visitors including primary, secondary and schools outreach. We have had 220 unique volunteers, with 81 returning to IVER over the year. These volunteers delivered 2200 hours of work over 344 days of activity, without them we could not have managed the improvements we have continued to make: ongoing work on the meadow and maze, installation of a mud kitchen and we have rebuilt the play area with a bespoke adventure playground, it has a natural theme with a beehive climbing frame and spiders web as well as plenty of natural play with balancing logs and slides. The design is inclusive and challenging. **Braywick Nature Centre**, managed in partnership with the Royal Borough of Windsor and Maidenhead, has continued to thrive as a local go-to location for schools outdoor education. We have concluded the delivery of a new woodland creation project at Ockwells Park, supported other conservation and interpretation projects in neighbouring nature reserves and wildlife sites, and continue to seek funding for an extensive wetland creation scheme from the Highways Agency.

The Vench, Lockleaze is our adventure playground & community centre in Bristol. We work closely with children, young people, their families, and local residents to provide a safe and vibrant space for children and young people (CYP) to play, access a hot meal/ food, gain information such as sign posting to support services, met with friends and feel part of a community.

During term time we deliver 4 after school play & youth sessions focusing on our outside play equipment, arts and crafts, music, games, team building, mental health and well-being, employment. We have also introduced topics from the curriculum calendar such as Black History month, LGBTQ+ awareness and have also delivered knife crime workshops. And we have weekly cooking clubs and netball sessions, enabling children and young people to learn new skills, gain confidence and build positive relationships. We also deliver additional community events, which in 2022 included a Bonfire night, intergenerational Christmas lunch and a Christmas fair – all attended by a range of local community members.

Alongside this, we have been successful in securing funding to operate as one of several local warm and welcoming spaces, and for essential capital works including a new accessible ramp, MUGA resurfacing and new floodlights.

Our **community cafes in Denham & Tilgate** went through menu updates to accommodate the rising costs of food and beverages, our focus was to maintain cost effective and affordable offer. Denham Café continued to diversity its delivery model, offering a wide range of seasonal community events and activities. Our **Charity Shop** providing recycling and reuse of household goods and clothing continues to be a valuable resource to the local community and is much loved customers and our volunteers a like. The Christmas Markets event was extremely popular offering recycled cheap presents and decorations.

Greener Futures our CHART (Connecting Hastings and Rother Together) ESF funded project commenced during Covid-19 social distancing/lockdown in 2020. This project aimed to support residents from areas of high deprivation to move closer to employment and enable residents to engage in volunteering in local green spaces to improve their health and wellbeing. The project began during Covid-19 and completed in November 2022. Despite the challenges of this time, 570 people who were struggling to secure employment were referred to us from East Sussex Recovery Alliance, DWP Disability Advisors, Sussex Partnership, Change, Live, Grow and local social prescribers. The project was so well received by local organisations funding from generous donors has allowed us to transform the project into '**Greening for Well-being**' which continues to draw in participants beginning to reconnect with their community. This work continues to take place through a community asset-based approach and participant led initiatives and can move around Hastings and Rother to work in partnership with local organisations and develop individual participant initiatives. To date we have supported over 20 local organisations.

In partnership with Groundwork London, we successfully secured an additional 12 months of funding from the European Union's Asylum Migration and Integration Fund (AMIF) to continue to assist refugees and non-EU migrants to integrate into UK society through our holistic **IMPACT** (Bristol) and **Together** (Hastings and Kent) programmes, focusing on 3 key areas: language, preparation for work and culture. Working across deprived areas in Bristol, Hastings, Rother and Kent we have been 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. In Bristol only had over 300 participants from 34 nationalities registered to the programme, referred to us through our partners, networks and word of mouth. The projects enrolled participants attend ESOL classes, employment sessions and/or create and communicate sessions, and we have been running sessions exploring green spaces as part of our series of workshops 'City Nature', co-facilitated by local organisation EcoWild.

In Plymouth and South East Cornwall, a number of **NEET or 'at risk' of becoming NEET programmes and Employability projects** successfully ended or entered their final project phase in late 22/23. These included **STEP employability programme**, a two year project to support unemployed and inactive residents in South Cornwall to secure employment or to return to education, which includes a 20% match contribution from Cornwall Council. A National Lottery funded programme **Empowering Enterprise** ESF, which finished in March 2023, supported 32, 18-24 years olds in Plymouth. And, **Experience Works**, project subcontracted through Petroc College to support at risk of NEET 15–18-year-olds in schools in Plymouth.

During the year we continued to see a significant increase in our referral rates to support young people affected by the pandemic and breaks in education. The **#iwill project** in particular supported those struggling to re-engage with education or were at risk of becoming NEET. Over half of the attendees, on this project, have disclosed SEN (Special Educational Needs) conditions, a high number are from low socioeconomic backgrounds such as overcrowded houses and low income and non-working families. The success of the programme led to **#will** getting continuation funding into 23/24.

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. The residential courses have been a fantastic success with schools reporting positive impacts for their pupils after long periods of lockdowns and isolation caused by COVID. During the year we run courses for 112 schools with 4,297 pupils attending.

With our National Lottery funding in place until May 2024, our nationwide community resilience programme – **Communities Prepared**, continues to focus on both delivery and strategic priorities. At the end of 2022, the UK Government finally published its long-awaited National Resilience Framework, placing 'whole of society resilience' at the centre of it and helping us to frame our current and future work within this context.

The implications of this framework remain to be seen, but we are in discussion with several key stakeholders about how we can work together to ensure that community resilience efforts are both strengthened and well supported as the framework's implementation gets underway. We also continue to build relationships at the regional level to support programme delivery. Across the country, this includes engaging with the Environment Agency's Flood Resilience Engagement Advisers and with other Groundwork Trusts – both of which will continue to be key to ensuring the programme can continue to be delivered when Lottery funding ends.

Region-specific projects that are currently being delivered, or are under development, include our **SSEN** funded work in Hampshire (continuing until September 2023, in partnership with Eastleigh Borough Council), **Project Groundwater** in Buckinghamshire (led by Buckinghamshire Council, with Groundwork as the community engagement lead), and considerable interest in further support for communities in Milton Keynes, Greater Manchester, Cambridgeshire, Shropshire and Kent amongst others. For communities across the country, our new online learning hub (part of www.communitiesprepared.org.uk) is continuing to grow – with an extensive range of learning resources available for self-led learning, complemented by 'live' online workshops and webinars led by our core project team. We have also recently commenced a partnership with Aviva and the British Red Cross, 'Building Resilience Together,' which will run until December 2024 with a view to piloting community resilience hubs in partnership with Local Resilience Forums.

Green Doctors in Groundwork South continued to develop and deliver projects in Kent, Medway and the Thames Valley. **Spark** funded by Energy Redress has enabled us to deliver our Green Doctor Advice service across Kent and Medway. Ending in October 2022, during the year we supported 833 households with in-depth advice including home visits and telephone support, we supported 874 households with energy saving advice at events and outreach sessions and trained 281 of frontline workers.

Through the **Cadent** project we supported 48 households fuel poor households in the Thames Valley area with in-depth advice via home visits and telephone support, 128 households with energy saving advice at events and outreach sessions and trained 136 frontline workers. As part of proposals submitted to the project funder we are hoping to expand our reach through this project into other areas in the Thames Valley and the surrounding region.

In November 2022 we launched **Home Energy Action Thanet** and **Energy Crisis Response Programme**, these projects funded by the British Gas Energy Trust and Energy Redress respectively have allowed us to continue our work in Kent and Medway after the end of the Spark project. In the period until the end of March 23 we supported 66 households with in-depth advice through home visits and telephone support, supported 76 households with energy saving advice at events and outreach sessions and trained 63 frontline workers. In total our work across these projects in 2022/23 we supported 947 households with in-depth energy saving advice and helped households save £76,381 on their energy bills, helped them manage £21,263 amount of energy debt and saved 111869CO2kge.

We have been delivering 2 major **Water Efficiency** programmes for the customers of Affinity Water and Wessex Water, as well as domestic, commercial and hybrid pilot programmes with South East Water, South East Surrey Water and South West Water. We delivered 20,000 domestic water efficiency visits for Affinity Water and a further 5,000 visits for customers of Wessex Water, both of which have water 'wastage' visits tackled by our in-house plumbing team. These pilot programmes have all been established throughout 2022/23 and are responding to water company challenges around water stress.

We began a significant programme with Southern Water helping them to address their **Storm Water Overflow** challenges, through the feasibility and design of Sustainable Drainage Schemes, both in the public domain (parks, highways) and within school grounds. We also delivered a pilot programme engaging domestic residents to play their part through the installation of water butts and water planters to their property downpipes.

Groundwork South Financial Review

Groundwork South shows income achieved in the year of £7.590m with expenditure of £7.379m, resulting in a surplus for the year of £211k

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 is used, which enables the Trust to allocate costs appropriately; to prepare financially sound grant and funding applications and effectively 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	817,621
Local Authorities	2,382,124
Private Sector	3,905,455
National Lottery	485,122
	<u>7,590,322</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	5,063,231
Youth & Employment	718,617
Parks & Open Spaces	1,597,201
	<u>7,379,049</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 operated on a 'draw down' basis as and when Groundwork South required the funds. From December 2022 a £620k secured loan is in place indefinitely for use as and when Groundwork South requires it. The balance on the loan at 31st March 2023 was £0 (2022 £0).

Future Plans 2023/24

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 2023/24 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 through community engagement, consultation and capacity building projects and skills development.
- Supporting community led improvements to spaces and neighbourhood environments.
- Supporting the integration of marginalised groups, including refugees and migrants through teaching English, cultural creative activities and building social networks.
- Helping socially isolated individuals through activities such as 1-2-1 support and creative group workshops.
- Enhancing communities' and individuals' health and wellbeing through projects that increase physical activity, improve mental health, promote healthy eating and connect people to green space.
- 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 integrating landscape design and community development, delivering urban and rural environments that meet the needs of local communities, offering design, consultation and master planning services, our work will focus on:

- Parks and open spaces, play and active spaces
- Climate adaptive design in particular using low-cost, light-engineering flood risk management and climate change adaptation solutions
- Biodiversity

We will continue to build our reputation and competence in providing sustainable landscape management:

- Managing the Colne Valley Regional Park and Combe Valley Country Park; supporting Hastings Country Park Nature Reserve through the management of the Bale House Visitor and the development of Westerland Valley and our own Goblin Combe Woodland
- We will act as catchment hosts and deliver Defra's catchment based approach in the Colne and East Hampshire Catchment Partnership catchments

We will provide a grant management service to strategic partners:

- Managing open grant programme for Heathrow Community Trust
- Provide grant 'enabler' support for community groups bidding to Tesco's Community Grants and on the HS2 grant programmes managed by Groundwork UK

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.*

We will plan, develop and deliver programmes which focus on:

- Behaviour change; helping people adopt more sustainable and healthy lifestyles, tackling climate change, reducing resource consumption and addressing fuel poverty
 - Encouraging and supporting young people and adults to participate in and lead positive action for the environment
 - Running our Charity shop, recycling and reusing household goods and clothing
 - Providing tailored packages of advice and guidance on energy and water efficiency to residents, organisations and businesses
 - Ensuring the successful delivery of the water efficiency contracts with Thames Water, Affinity Water, Wessex Water and pilot programmes with other water companies in the region to maximise water savings for domestic and commercial customers
 - Providing opportunities for the corporate sector to engage with local communities by volunteering
 - Expand our service offer for Green Doctors enabling us to support more vulnerable household through the impact of rising fuel costs and cost of living
- Providing a new Sustainable Business Services programme in the region, replicating the successful work in this area by other trusts in the Federation

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
- Encouraging and supporting participation and leadership of positive action for the local and global environment
- Running clubs and providing safe places for young people to develop themselves and learn new skills
- 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 move from welfare into sustainable 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
- Providing non-traditional pathways to employment designed to increase ‘soft skills’ through conservation and horticulture activities
- Supporting integration, building resilience, confidence and wellbeing in vulnerable and socially isolated adults & young people through engagement in cultural, environmental, language and preparation for work activities and volunteering opportunities, as well as connecting to wider services

2. Maintaining 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:

- Poor performance and partner dissatisfaction with the quality of delivery
- Failure to secure funding for the projected operations plans
- Failure to deliver targets and performance requirements in 'payment by results and other contracts
- 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:

- Ensure we are delivering high quality products and services for all of our partners and customers that are based on our good understanding of our partner organisations and their challenges
- 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

Financial management of projects is undertaken through Enqueueer 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 2023/24 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
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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. The Board will be undertaking a Trustee recruitment process during 2023/24 with the aim of attracting 2 new Trustees to the Board.

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.

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: 25th September 2023

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 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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: XX September 2023

The Groundwork South Trust Limited

(A company limited by guarantee)

Registered Number: 01982077

Statement of Financial Activities for the year ended 31st March 2023

Including the Income and Expenditure Account

		Unrestricted Funds	Restricted Funds	31.3.23 Total Funds	31.3.22 Total Funds
	Notes	£	£	£	£
INCOME					
Donations and legacies	3	34,644	-	34,644	29,823
Charitable activities	4	4,139,741	3,415,937	7,555,678	6,570,522
Total Income		4,174,385	3,415,937	7,590,322	6,600,345
EXPENDITURE					
Charitable activities	5	4,123,312	3,255,737	7,379,049	6,408,439
Total expenditure		4,123,312	3,255,737	7,379,049	6,408,439
Net expenditure		51,073	160,200	211,273	191,906
Transfers between funds	14	160,200	(160,200)	-	-
Net expenditure before other recognised gains and losses		211,273	-	211,273	191,906
Net movement in funds		211,273	-	211,273	191,906
RECONCILIATION OF FUNDS					
Total Funds brought forward	14	(283,779)	-	(283,779)	(475,685)
TOTAL FUNDS CARRIED FORWARD		(72,506)	-	(72,506)	(283,779)

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 26 to 35 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 2023

	Notes	31.3.23 £	31.3.22 £
FIXED ASSETS			
Intangible Assets	9	-	-
Tangible Assets	10	995,781	1,010,551
TOTAL FIXED ASSETS		995,781	1,010,551
CURRENT ASSETS			
Debtors	11	1,187,508	1,159,989
Cash at bank and in hand	17	467,428	870,587
TOTAL CURRENT ASSETS		1,654,936	2,030,576
LIABILITIES			
Creditors: amounts falling due within one year	12	(2,723,223)	(3,324,906)
NET CURRENT LIABILITIES		(1,068,287)	(1,294,330)
TOTAL ASSETS LESS CURRENT LIABILITIES		(72,506)	(283,779)
Creditors: Amounts falling due after more than one year	13	-	-
NET LIABILITIES		(72,506)	(283,779)
THE FUNDS OF THE CHARITY	14		
Unrestricted funds		(72,506)	(283,779)
TOTAL CHARITY FUNDS		(72,506)	(283,779)

The financial statements were approved by the Board of Trustees on 25th September 2023 and were signed on its behalf by:



.....

Trustee

The notes on pages 26 to 35 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 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities	16	(397,980)	647,689
Cash flow from investing activities			
Investment income received		-	-
Purchase of tangible fixed assets		-	-
Net cash used in investing activities		-	-
Repayments of borrowings			
Cash outflows from new borrowings		(860,000)	(440,948)
Cash inflows from new borrowings		860,000	425,000
Interest paid		(5,179)	(8,087)
Net cash provided by financing activities		(5,179)	(24,035)
Net Increase/(decrease) in cash and cash equivalents		(403,159)	623,654
Cash and cash equivalents at the beginning of the year		870,587	246,993
Cash and cash equivalents at the end of the year	17	<u>467,428</u>	<u>870,587</u>

The notes on pages 26 to 35 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 2023

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 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	31.3.23	31.3.22
	£	£	£	£
Donations	34,644	-	34,644	29,823
	<u>34,644</u>	<u>-</u>	<u>34,644</u>	<u>29,823</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.3.23 £	31.3.22 £
Grant income	4,139,741	3,415,937	7,555,678	6,570,522
Total 2022	3,401,088	3,169,434	6,570,522	

Grant income	31.3.23 £	31.3.22 £
Central Government	817,621	658,705
Local Authority	2,382,124	1,732,391
Lottery	485,122	578,437
Private	3,870,811	3,600,989
	7,555,678	6,570,522

5. Total resources expended

	Greener living and working £	Youth and employment £	Parks and open spaces £	31.3.23 £	31.3.22 £
Charitable activities					
Staff costs	2,285,734	623,869	548,898	3,458,501	2,729,508
Project costs	2,392,048	71,689	979,156	3,442,893	3,101,524
Sub total	4,677,782	695,558	1,528,054	6,901,394	5,831,032
Support costs					
Staff costs	137,687	13,361	30,783	181,831	174,904
Administration	15,609	1,515	3,490	20,614	25,063
Communications and IT	77,345	7,506	17,292	102,143	86,992
Accommodation	46,806	4,542	10,465	61,813	53,499
Recruitment & training	12,352	1,199	2,762	16,313	15,210
Marketing	671	65	150	886	773
Professional fees	32,228	3,127	7,205	42,560	45,253
Depreciation and amortisation	10,141	984	2,267	13,392	14,952
Management fee	0	0	0	0	60,000
Infrastructure costs	0	0	0	0	60,000
Other	23,174	2,249	5,179	30,602	33,261
Governance costs	5,679	551	1,270	7,500	7,500
Sub total	361,692	35,099	80,863	477,654	577,407
Total	5,039,474	730,657	1,608,917	7,379,049	6,408,439

Total resources expended 2022

Charitable activities	3,793,745	616,297	1,420,990	5,831,032
Support costs	399,749	70,868	106,790	577,407
Total 2022	4,193,494	687,165	1,527,780	6,408,439

6. NET INCOMING RESOURCES

	31.3.23	31.3.22
	£	£
Government furlough grants	-	54,944

NET OUTGOING RESOURCES

	31.3.22	31.3.22
	£	£
Auditors' remuneration – statutory audit	7,500	7,500
Depreciation – owned assets	14,770	16,331
Operating lease payments	85,059	83,500
Amortisation of intangible fixed assets	-	-

During the year no Trustees received any remuneration, benefits in kind or reimbursement for expenses (2022 - £NIL)

7. INTEREST PAYABLE AND FINANCING COSTS

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

	31.3.23	31.3.22
	£	£
Interest on loans from group undertakings	5,179	8,087

8. STAFF COSTS

Staff costs were as follows

	31.3.23	31.3.22
	£	£
Wages and salaries	3,489,094	2,799,909
Social security costs	266,678	192,951
Pension costs	212,161	177,826
	3,967,933	3,170,686

The average number of employees during the year was as follows:

31.3.23	31.3.22
151	138

Average expressed as a full time equivalent

31.3.23	31.3.22
124	108

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 £92,810 in the year (2022: £83,819) and pension contributions of £10,020 (2022: £7,839).

9. INTANGIBLE FIXED ASSETS

	Software £
Cost	
At 1 April 2022	69,442
At 31 March 2023	<u>69,442</u>
Amortisation	
At 1 April 2022	69,442
Disposals	-
Charge for year	-
At 31 March 2023	<u>69,442</u>
Net Book Value	
At 31 March 2023	-
At 31 March 2022	<u>-</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Floating Classroom £
COST					
At 1 st April 2022	1,005,000	20,503	132,300	74,102	116,250
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 st March 2023	<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 2022	63,700	20,503	128,149	74,102	51,150
Charge for year	8,400	-	1,720	-	4,650
Disposals	-	-	-	-	-
At 31 st March 2023	<u>72,100</u>	<u>20,503</u>	<u>129,869</u>	<u>74,102</u>	<u>55,800</u>
NET BOOK VALUE					
At 31 st March 2023	<u>932,900</u>	<u>-</u>	<u>2,431</u>	<u>-</u>	<u>60,450</u>
At 31 st March 2022	<u>941,300</u>	<u>-</u>	<u>4,151</u>	<u>-</u>	<u>65,100</u>
					Total Tangible Fixed Assets £
Cost					
At 1 April 2022					1,348,155
Additions					-
Disposals					-
At 31 March 2023					<u>1,348,155</u>
Depreciation					
At 1 April 2022					337,604
Charge for year					14,770
Disposals					-
At 31 March 2023					<u>352,374</u>
Net Book Value					
At 31 March 2023					<u>995,781</u>
At 31 March 2022					<u>1,010,551</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade debtors	1,118,463	946,888
Other debtors	-	-
Prepayments and accrued income	69,045	213,101
	<u>1,187,508</u>	<u>1,159,989</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Bank loans and overdrafts	-	-
Trade creditors	190,569	975,864
Taxation and social security	247,334	75,055
Other creditors	56,454	185,714
Accruals and deferred income	2,228,866	2,088,273
	<u>2,723,223</u>	<u>3,324,906</u>

Deferred Income

	Balance at 1 April 2022	Amount Released to Incoming Resources	Amount Deferred in the Year	Balance at 31 March 2023
	£	£	£	£
Movements during the year	<u>1,914,227</u>	<u>1,914,227</u>	<u>2,060,865</u>	<u>2,060,865</u>

	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>

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

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

	31.3.23	31.3.22
	£	£
Amounts owed to group undertakings (see note 20)	-	-
	<u>-</u>	<u>-</u>

14. STATEMENT OF FUNDS - 2023

	Brought forward	Incoming Resources	Resources Expended	Transfers In / (Out)	Carried Forward
	£	£	£	£	£
Unrestricted Funds					
General funds	(283,779)	4,174,385	(4,123,311)	160,200	(72,506)
Restricted Funds					
Greener living and working	-	1,733,627	(1,668,541)	(65,084)	-
Youth and employment	-	357,931	(344,300)	(13,634)	-
Parks and open spaces	-	1,324,379	(1,242,896)	(81,481)	-
Total Restricted Funds	-	3,415,937	(3,255,737)	(160,200)	-
Total Funds	(283,779)	7,590,322	(7,379,049)	-	(72,506)

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.

Transfer between funds:

During the year a transfer from restricted funds to unrestricted funds of £160,200 (2022: £90,637).

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 - 2022

	Brought forward	Incoming Resources	Resources Expended	Transfers In / (Out)	Carried Forward
	£	£	£	£	£
Unrestricted Funds					
General funds	(475,685)	3,430,911	(3,329,642)	90,637	(283,779)
Restricted Funds					
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)	-
Total Funds	(475,685)	6,600,345	(6,408,439)	-	(283,779)

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	31.3.23 Unrestricted funds £	31.3.22 Unrestricted funds £
Intangible fixed assets	-	-
Tangible fixed assets	995,781	1,010,551
Current assets	1,654,936	2,030,576
Creditors due within one year	(2,723,223)	(3,324,906)
Creditors due in more than one year	-	-
	<u>(72,506)</u>	<u>(283,779)</u>

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

	31.3.23 £	31.3.22 £
Net expenditure for the year (as per Statement of Financial Activities)	211,273	191,906
Adjustment for:		
Depreciation and Amortisation charges	14,770	16,331
Interest paid	5,159	8,087
(Increase) / Decrease in debtors	(27,519)	(663,870)
Increase in creditors	(601,683)	1,095,235
Cash flows from operating activities	<u>(397,980)</u>	<u>647,689</u>

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.3.23 £	31.3.22 £
Cash in hand	467,428	870,587
	<u>870,587</u>	<u>870,587</u>

18. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2022 £	Cash flows £	Other Non- cash change £	At 31 Mar 2023 £
Cash and Cash equivalents				
Cash	870,587	(403,159)	-	467,428
Overdrafts	-	-	-	-
Cash equivalents	-	-	-	-
	<u>870,587</u>	<u>(403,159)</u>	<u>-</u>	<u>467,428</u>
Borrowings				
Debt due within 1 year	-	-	-	-
Debt due after 1 year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>870,587</u>	<u>(403,159)</u>	<u>-</u>	<u>467,428</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 £212,161 (2022: £177,826).

Contributions totalling £22,636 (2022: £21,000) were payable to the fund at the balance sheet date and are included in creditors.

19. OPERATING LEASE COMMITMENTS

	31.3.23	31.3.22
	£	£
Amounts payable		
Within 1 year	88,929	83,766
Between 1 and 5 years	131,908	206,645
After more than 5 years	-	-

20. RELATED PARTY TRANSACTIONS

During the year, Groundwork London provided £860,000 funds (2022: £425,000) to the charity, and £860,000 (2022: £440,948) was repaid during the year. At the year-end, £0 (2022: £0) 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.