

2018/19

The Federation of Groundwork Trusts

# Annual Report and Financial Statements



# Contents

About Groundwork UK	3
Chairman's statement	4
Governance	6
Objects and public benefit	8
Strategic report	10
Performance overview	11
Activity highlights	12
Our plans for the future	20
Financial performance	22
Principal risks and uncertainties	25
Statement of trustees' responsibilities	26
Independent auditor's report	27
Statement of financial activities	29
Charity balance sheet	30
Cash flow statement	31
Notes forming part of the financial statements	32
Advisors	48
The Board of Trustees	49

The Federation of Groundwork Trusts  
Operating as Groundwork UK

**Charity registration number**  
291558  
**Company registration number**  
01900511

**Registered office**  
Lockside  
5 Scotland Street  
Birmingham B1 2RR



# About Groundwork UK

Groundwork is a federation of charities working locally and nationally to transform lives in the UK's most disadvantaged communities.

We're passionate about creating a future where every neighbourhood is vibrant and green, every community is strong and able to shape its own destiny and no-one is held back by their background or circumstances.

We help people gain confidence and skills, get into training and work, protect and improve green spaces, lead more active lives and overcome significant challenges such as poverty, isolation, low skills and poor health.

Groundwork harnesses the passion, skills and experience of more than 1,200 employees and 150 volunteer trustees across the UK. In 2018/19, the Groundwork federation delivered projects and programmes to a value of some £96 million involving and benefiting more than 850,000 people.

Groundwork UK is the central body of Groundwork, responsible for the brand, systems and agreements that hold the federation together. We add value to Groundwork's local activities by building the organisation's profile, developing relationships with national partners, funders and commissioners, unlocking resources and managing programmes and contracts delivered by Groundwork Trusts and others. We act as Groundwork's national voice in the outside world and help all parts of Groundwork gain the benefits of being in a federation by providing opportunities to collaborate, share skills and learn from good practice.

Groundwork UK is registered as a company and charity under the name The Federation of Groundwork Trusts, denoting its status as the membership body for Groundwork Trusts. This report outlines the activity, priorities and financial position of Groundwork UK and sits within the wider narrative about Groundwork's collective achievements, which can be found in our federation impact report.



# Chairman's statement

**The UK faces unprecedented levels of political and economic uncertainty, which makes writing any report difficult as we peer into a particularly murky crystal ball.**

Irrespective of short-term political promises, the social reality is that ongoing austerity is likely to drive increased levels of poverty and further reductions in the scope and quality of services in local communities. This makes Groundwork's mission to transform lives in the local areas most in need more pressing, but also more difficult to deliver given our historic reliance on public funding. At the same time we are at last waking up as a society to the reality of climate breakdown, a situation that must be mitigated and can only be reversed by giving people the confidence and support to drive change from the ground up.

In the short term, a new government 'communities framework', a promised environment bill and new regeneration funds to replace lost EU programmes will provide an opportunity for Groundwork and others to make the case for increased investment in community-led environmental action. The ongoing devolution of decision-making to local areas means that, in theory, more people will be able to have greater say over how this investment is targeted.

In taking this debate forward, we need to factor in public debate about the role and responsibilities of charities. The sector has never been under such scrutiny, with public trust dented by high profile failings, an aggressive stance by some politicians and commentators and the emergence of new thinking about the role of civil society, which calls for nothing short of a revolution in the way we deliver social objectives and support local places.







As an organisation delivering in local communities but with national scale and strategic stakeholder links, Groundwork should be well-placed to navigate this complexity. However, we can't rest on our laurels. Playing our full part in supporting more communities to thrive in difficult times will require Groundwork to evolve and improve in three ways.

- We will need to continue diversifying our income base, in particular generating funds through more commercial sales and corporate relationships to offset the increased risk and competition attached to a shrinking pool of public grants and contracts.
- We will need to improve our ability to evidence the impact of our work on those people and places who are most in need by demonstrating that our interventions lead to changed behaviours and improved resilience and offer 'social value' to commercial partners.
- We will need to consolidate our structures and improve our systems and quality so that we maximise the percentage of our income spent on front line delivery and build the scale and specialisms needed to navigate competitive marketplaces and provide high quality services in more communities.

These are the challenges Groundwork has collectively embraced in its Building a Better Groundwork transformation project, and the challenges that inform Groundwork UK's short and medium-term decision-making. Our national organisation has had a good year, delivering significant impact for communities through its programmes, building and managing the relationships we will need to diversify our income base and leading our federation-wide consolidation plan. We have also strengthened our reserves position, ensuring we have the resilience needed to continue supporting Groundwork's local operations in uncertain times.

My thanks go to our UK team and to all Groundwork staff, trustees and volunteers across the country for their tireless dedication to our mission. I'd also like to thank our many partner organisations – both national and local – for helping us deliver such tremendous impact in communities. Our promise to you is that we will be collaborative, show integrity and strive for quality in everything we do. Above all else, we will put the needs of communities and our collective responsibility towards the environment first.

**Graham Hartley, Chairman**  
16 September 2019

# Governance

## Registration numbers

**Charity Registration Number:**  
291558

**Company Registration Number:**  
01900511

## Structure

Groundwork UK is the operating name of The Federation of Groundwork Trusts, a charity and a company limited by guarantee. The governing documents are its Memorandum and Articles of Association, which were last amended by written resolution on 6 December 2018.

## Members

Membership of Groundwork UK comprises Groundwork Trusts. Groundwork Trusts are organisations, which are registered charities and companies limited by guarantee with similar objects to Groundwork UK but delivering in a specific geographical area. A membership agreement sets out our internal roles, relationships and behaviours and the whole of Groundwork operates to a single, common strategy, which is overseen by our board of trustees.

## Board of Trustees

The Board of Trustees comprises the trustees of Groundwork UK in accordance with the Charities Act 2011, who are also the directors of the company in accordance with the Companies Act 2006. The majority of our trustees are appointed from the boards of our member Groundwork Trusts. A number of independent

trustees, including our Chair, are co-opted by the board to broaden its skills base or to enable us to benefit from specialist expertise or networks.

We take our governance responsibilities very seriously, recognising the need to ensure as much of our resource as possible is expended on delivering our charitable mission while ensuring our organisation is strong, well-managed and financially viable in the long term. New trustees are provided with an induction to the organisation, which includes a specific focus on their role and responsibilities.

Trustees are responsible for ensuring sound organisational systems, processes and policies are maintained and embedded in the way Groundwork UK is managed. This includes policies governing our fundraising standards, our investments and our responsibilities to our staff, volunteers and beneficiaries. We pay particular attention to issues of health and safety, safeguarding, data protection and information security, each of which has a champion on our board, and maintain comprehensive business continuity arrangements. We undertake a regular skills audit of our board to ensure we have access to the expertise needed to run our organisation efficiently, effectively and safely.

The work of our Board is supported by four sub-committees:

### Groundwork UK Committee

- supports our fundraising and business development processes, oversees the management of programmes and contracts for which Groundwork UK is the accountable body, ensures appropriate management of risk and governs the operational and financial performance of our organisation. This Committee considers changes to pay and rewards for all staff including key management personnel as part of the annual budget approval process.

### Groundwork UK Audit Committee

- oversees our audit process and reviews our Annual Report and Financial Statements independently of the Groundwork UK Committee.

### Federation Executive Team

- executives from each Groundwork Trust support the board with the formulation of strategy for the whole of Groundwork, overseeing the operational and financial performance of Groundwork Trusts and supporting change management.

### Chairs' Committee

- assists with appointments to the Board, selection of the Chair and appointment of senior staff at Groundwork UK.

Groundwork UK's management team is led by the Chief Executive and includes senior staff members responsible for financial and business management, business development, communications and fundraising and programme management. This team is fully accountable to the Board and its committees. It operates through delegated powers outlined in our financial regulations and provides regular reports on financial and operational performance and risk management.

### Relationships within Groundwork

Groundwork is a federation of independent charities, each working under a common brand to a common strategy. This strategy sets the direction, milestones and targets, which influence operational decision-making across all parts of Groundwork and against which executives hold each other to account.

Within this strategic framework Groundwork Trusts make their own decisions about the project work they develop and deliver. The federation strategy supports this local decision-making by focusing on those areas of development and delivery where there is a need or an opportunity for Groundwork to act collectively in order to achieve maximum benefit for the communities it serves.

Groundwork UK delivers services and activities to support Groundwork Trusts by building brand and profile, generating income for local delivery and supporting quality and impact. Groundwork UK is held to account for its performance by its members. Each Groundwork Trust signs a membership agreement, which sets down the obligations of Trusts to Groundwork UK and to each other and the services and standards Groundwork UK will deliver on behalf of the federation.

### Related party transactions

Each Groundwork Trust is an independent charity with similar aims to Groundwork UK. Each Trust is therefore responsible for its own management and administration, and for developing and delivering projects that meet its objectives and core purposes. The appointed trustees of Groundwork UK are, by definition, also trustees of Groundwork Trusts. However, the Charity Commission's Statement of Recommended Practice (SORP) determines that a charity is not necessarily related to another charity simply because a particular person happens to be a trustee of both. It will only be related if one charity subordinates its interests to the other charity in any transaction because of this relationship.

Groundwork Trusts are therefore not considered to be related parties under the definition of the SORP and transactions between Groundwork UK and Groundwork Trusts do not require separate disclosure.

Groundwork UK has considered the other disclosure requirements of the SORP and believes that there are no other related party transactions except for those between itself and its wholly owned subsidiary companies, as listed on page 46.

### Our commitments

The Board is committed to adopting the Charity Governance Code as a model of good practice and will monitor progress towards this in the coming year.

Everything Groundwork UK does is underpinned by a set of values, which inform the way we work and behave. We will be environmentally aware and focused on communities in need. We will be collaborative, show integrity and strive for quality in everything we do.

Our decisions, actions and operations will also be guided by our sustainable development policy, which sets out how we aim to contribute to creating a strong and just society living within environmental limits.

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Funds we receive in this way are presented in our accounts as 'voluntary income' and include donations and gifts.

All of our fundraising is managed internally and we do not employ commercial participators or professional third-party fundraisers. The day-to-day management of all income generation activity is delegated to the management team, who are accountable to the trustees.

Groundwork UK is not required to be bound by any regulatory scheme. We are registered with the Fundraising Regulator and comply with relevant codes of practice. We have received no complaints in relation to fundraising activities. Given the nature and scale of our fundraising activities, we do not consider it necessary to design specific procedures to monitor these activities.

As a charity dedicated to supporting people who may be vulnerable we are committed to ensuring our operations are delivered safely and to the highest ethical standards. We have a Groundwork-wide commitment to effective safeguarding and aim to meet best practice standards in terms of management, governance and transparent reporting.

# Objects and public benefit

**Groundwork UK's charitable objectives are set down in its Memorandum of Association and date from the interpretation of charitable activities when they were drafted in 1985, as amended at annual general meetings and by written resolution. They commit Groundwork UK to delivering and promoting regeneration and sustainable development as follows.**

- To conserve, protect and **improve the physical and natural environment** anywhere in the United Kingdom and Republic of Ireland.
- To **improve quality of life** by providing welfare, recreation or leisure facilities.
- To advance public **education in environmental matters**.
- To promote **urban or rural regeneration** in areas of social and economic deprivation through:
  - the relief of poverty and unemployment
  - providing education, training or work experience for people who are unemployed
  - delivering financial assistance, technical assistance, business advice or consultancy in order to help people get back to work
  - creating training and employment opportunities by providing work space, buildings and land
- maintaining or improving public amenities such as footpaths and cycle ways
- the preservation of buildings or sites of historic or architectural importance
- reclaiming derelict land for use as open space
- providing public health facilities and schemes to promote healthier living
- alleviating anti-social behaviour and supporting crime prevention.
- To promote **sustainable development** for the benefit of the public by:
  - preserving, conserving and protecting the environment
  - promoting the prudent use of natural resources
  - improving quality of life in socially and economically disadvantaged communities
  - promoting sustainable means of achieving economic and social growth and regeneration
  - educating the public in how to protect and improve the environment.
- To promote the **efficiency and effectiveness of charities** in helping them deliver their objectives by providing information, advice and assistance.

Groundwork UK's trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the organisation's objectives and planning future activities. In particular, the trustees consider how planned activities will contribute to the charitable objectives set out above. Further details about the impact of Groundwork UK's activities during 2018/19 can be found on the following pages.

Our work at Groundwork UK sits within the wider context of the projects, programmes and services delivered by the whole Groundwork federation. Each independent Groundwork Trust determines its own priorities and has its own charitable objectives. Groundwork operates to a collective strategy, which binds all federation members to a clear set of overarching goals in support of these objectives.

Our work is designed to address the needs of all sections of the community and we provide equal access to our services regardless of race, gender, disability or sexual orientation.

For further details about our work visit [www.groundwork.org.uk](http://www.groundwork.org.uk)







# Strategic report

for the year ended 31 March 2019

The Board of Trustees presents its report for the year ended 31 March 2019. This includes statements about our organisation (page 3), its objectives and its governance (pages 6–8), our financial and operational review for the year (pages 11–19 and 22–24), our plans for the future (pages 20–21) and details of our trustees, senior staff and advisers (pages 48–49).

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# Performance overview

2018/19 has been a year of positive performance for Groundwork UK with good achievement rates against our financial and operational KPIs, high levels of staff and partner satisfaction and positive feedback from those benefiting from our programmes and services. The vast majority of activities set out in our business plan for the year have been progressed with no unforeseen issues requiring significant reallocation of resources.

The year has seen us embark on some significant new pieces of work with the potential to improve the way Groundwork operates and influence wider practice, in particular our Future Proof Parks initiative supported by the National Lottery Heritage Fund. We have also grown our roster of grant administration programmes, taking on new initiatives in support of central and local government. The extension of our agreement with Tesco to promote and deliver the Bags of Help programme was a major success and the programme continues to provide an important platform on which to build our support offer for local communities.

Despite these successes, levels of income generated for new programmes during the year were down on our planning expectations.

Lessons learned suggest that increasing levels of competition and funds being targeted on specialist or local organisations are the primary reasons for bids not being successful, rather than the quality of our proposals. Tight control of our costs and good performance on existing programmes has enabled us to report a small financial surplus, allowing us to continue adding gradually to reserves to meet our target of holding a year's worth of operating costs.

Our roster of corporate partnerships continues to grow as planned, though the majority of these are currently low value and we have recognised the need to invest in more structured relationship development to turn business relationships into meaningful income streams. Similarly, we continue to achieve good results in terms of visibility but now need to underpin our communications activity with a clearer narrative and a stronger base of research around our mission and cause to ensure that this increased national profile helps unlock resources for local delivery.

During the year, we have invested considerable time and effort in managing programmes of adult learning and support for young people, navigating complex funding regulations, compliance regimes and quality frameworks.

We remain committed to growing this activity, but recognise that this will be a challenge given changes to procurement processes and our position as a 'new entrant' in the marketplace.

Our main people metrics show very positive results and staff satisfaction and commitment remain strong. More than 90% of our staff say they are proud to work for the organisation, feel supported and are gaining valuable experience and more than 85% express strong confidence in our management and leadership. We have retained our Investors in People Gold status, reflecting the priority we put on ensuring we have a strong and committed team. Stakeholder satisfaction across all customer groups has remained high, consistently tracking at above 95%.



# Activity highlights

Groundwork continues to deliver a rich variety of local projects, programmes and services that are transforming lives in local communities and helping more people take action to improve the environment and their personal circumstances.

Last year we helped Groundwork as a whole access £96 million of funding to support our collective mission and directly distributed almost £29 million in grants to help local groups improve their neighbourhoods.





## Groundwork's impact in 2018/19

More than  
**9,100**  
community  
organisations  
supported

Learners of all  
ages supported  
to achieve  
nearly  
**6,000**  
qualifications

**50,000**  
days of social  
action unlocked

**25,750**  
people helped  
to achieve new  
goals in education,  
training or  
employment

**7.4Mn m<sup>2</sup>**  
of land improved

**59,000**  
trees planted

**5.9Mn kg**  
of CO<sub>2</sub> saved  
**1.4Mn kg**  
of waste  
prevented

**Groundwork UK's national activities have added value to Groundwork's local delivery in four ways as follows.**

**1. Supporting communities through grants**

Helping to equip communities with the skills, capacity and networks needed to bring about change in their local area has been core to Groundwork's mission for four decades. Groundwork UK has developed its role as a grant manager on behalf of businesses and government, providing robust systems informed by feedback from community groups and supported 'on the ground' by a network of Groundwork Trust enablers.

- The **Tesco Bags of Help** programme entered a new phase during the year with the small grant scheme supplemented by a 'flagship' programme to mark the celebration of Tesco's centenary. The programme continues to meet all of its KPIs, and receive positive feedback from Tesco colleagues and community groups. Since launching in 2015, Bags of Help has provided more than £71 million to over 23,000 local community projects. More than 30 million votes are cast by Tesco customers in each funding round, demonstrating the degree of local engagement in the programme. Other grant programmes funded through bag sales in Tesco's new **Jacks stores** and its subsidiary **One Stop** are performing well and helping expand the range of support we are able to offer to local groups.
- Our role in managing community investment funds on behalf of **HS2** continues to grow with 71 projects along the line of the phase 1 route funded to a value of almost £4 million. Projects supported range from a mobile community museum in Amersham to a furniture upcycling enterprise in Birmingham; helping communities disrupted by the works invest in services and facilities that they value. Alongside the funds, we have been providing opportunities for HS2's employees to work alongside local community groups as part of their commitment to volunteering.
- For many years we have helped government departments distribute funds to local communities and the last year has seen our portfolio of programmes grow. We were chosen to administer the latest round of **The Coastal Communities Fund** – £45 million of grant funding available to support regeneration and job creation. This was a major new piece of work involving a high volume of complex assessments and site visits in a short space of time. For the same government department (MHCLG) we have continued to manage grants to support **neighbourhood planning**, working closely with our partners Locality. In 2018/19 we processed more than 750 grants and have taken the learning from this into other programmes with Locality including the Bright Ideas Fund (supported by Power to Change) and a government programme to support community-led housing schemes.
- Working with Groundwork Trusts we have taken this national experience and track record and applied it to the management of funds at more local level, taking up the role of managing body for **ESF community grant** programmes in Coventry & Warwickshire and Leeds City Region. These programmes will see us distributing grants up to a total value of £4.8 million to local organisations in each area to deliver projects which support the work readiness of people in a range of groups with significant personal challenges and barriers to employment.









Road Farm Countryways is a Community Interest Company based in Buckinghamshire that provides opportunities for young adults with learning difficulties and physical disabilities through Care Farming (therapeutic use of farming practices) and visits for schools, scouts, guides and youth and community groups.

HS2 funding will allow the group to provide a large accessible changing room, help to reroof a traditional long, low farm building and help to restore a traditional old building on the farm that will be used as a training and workshop facility.

## 2. Managing local delivery programmes

Groundwork UK has a strong track record of managing programmes of local delivery, providing the infrastructure needed to coordinate delivery across a range of geographical areas or to pilot innovative ways of working.

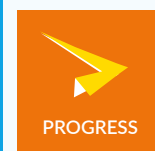
- Our **Building Better Opportunities** 'Progress' programme in Coventry & Warwickshire has continued to have a life-changing impact for young people growing up in challenging circumstances. Nearly 600 young people have been provided with personal support from Progress 'coaches' and the programme has now received additional funding to take it through to 2022.
- During the year we also continued to support skills delivery for people out of work, utilising our national allocation of funding through the **ESFA Adult Education Budget**. Local delivery performance has improved significantly in the last academic year with around 250 learners recruited to vocational short courses and traineeships. Rates of retention and achievement have been above target, which is particularly pleasing given the high number of people we are supporting with learning difficulties. Our focus at Groundwork UK is on ensuring that local delivery by Groundwork Trusts is responsive to the needs of learners and local partners and that teaching is of the highest quality.
- Our **Young Green Leaders** programme, supported by the Our Bright Futures lottery initiative, drew to a close in the year with nearly 1,000 young people engaged in environmental project activities across six delivery areas. 10% of the young people involved – many of them with special educational needs or at high risk of becoming NEET (Not in Education, Employment, or Training) – completed a Green Leaders Plus personal development programme, gaining a certificate, which will increase their self-confidence as well as improving their CV and potential job prospects.
- The learning from this approach is being incorporated into our new **Future Proof Parks** programme, funded through The National Lottery Heritage Fund's Kick the Dust initiative. This high profile programme will support both young people interested in making a difference to green spaces in their area and community groups active in the management and maintenance of parks, with the aim of inspiring new forms of inter-generational collaboration. More than 20 Friends of Parks groups have already been recruited with their members trained in safeguarding and youth participation.

"I first found out about Progress through the job centre. I met Bob – my Progress Coach – and I had a positive feeling that this would be the course that could help me.

I have a brain injury so there are limitations to the type of job I can do. I worked with Bob to come up with a plan of action, and he put me forward for qualifications that I can add to my CV. So far, I've done a fork-lifting qualification, a health and safety course and a NHS Administration traineeship, which I really enjoyed.

The thing I've liked the most from my time on Progress is the fact that it's one-to-one. I like that every course I've been put forward for, and support I've received is personalised to me and my future. Bob has been an excellent influence in my life and he's very supportive towards what I need."

**Joe, 22 is enrolled on Progress – a youth employment programme that is funded by the European Social Fund and The National Lottery Fund through the Building Better Opportunities initiative.**





### 3. Building networks and raising profile

As the national voice of the federation, Groundwork UK continues to campaign for investment in community infrastructure and to demonstrate the benefits that can be achieved by providing practical, expert support to people wanting to bring about change in their local area.

- Our **Groundwork Youth** initiative is helping us build a network of young people passionate about protecting the environment and promoting participation in decision-making. The initiative is led by our youth advisory board, which has been refreshed during the year and is now driving a programme of campaigns linking digital engagement with practical community action.
- We are continuing to contribute to the work of the government's **Parks Action Group**, ensuring that campaigns to drive investment in parks and green spaces also promote greater community empowerment and address longstanding inequalities, which mean those who are most disadvantaged currently benefit least from the wellbeing benefits of accessing nature.
- Celebrating and showcasing the achievements of community groups driving change in their local area is the purpose of the **Groundwork Community Awards**. The second year of the programme saw more than 600 submissions with awards presented at a ceremony in the House of Commons supported by a range of partners from business and government. We will continue to shine a light on the needs and achievements of grassroots community organisations through new research, which will also be used to inform the development of our own support services for





"I got involved in Groundwork Youth because I've always wanted to be involved with the environment. We only have one planet, we have one earth and if we don't look after it, who will?"

"Young people are stereotyped as lazy or not interested or not grabbing opportunities and I think actually that is wrong. There are a lot of great young people who do volunteer in their community and engage with different people from all walks of life and do work really hard and have great goals and ambitions.

It's really important for young people to be involved in that discussion and be involved in talking with policymakers and decision makers.

I think young people can bring many things: expertise, knowledge, skills, ideas that you may not have. There is so much on offer in our communities: we need to publicise it more, we need to advertise it more, we need to encourage one another. In my experience peer to peer support is crucial."

**Tamanna, 25, helped organise 'Youth Fest' – a community youth festival in Stratford, London as part of a Groundwork Youth campaign.**

#### 4. Building a better Groundwork

With the support of all parts of Groundwork, Groundwork UK is leading a transformation programme aimed at improving the federation's ability to deliver impact through a collective focus on income diversification, improved and more consistent business management and new models of delivery supported by shared services.

- We have established a transformation team to drive and support activity in relation to delivery models, management standards, shared systems and structural consolidation, informed by task and finish groups bringing together specialist practitioners from across the federation. Our Board has agreed to underpin this activity with a £500k transformation fund generated through the sale of our Lockside building in Birmingham.
- As part of the drive to unlock new forms of income, we have benefited from the insight of a retail consultant seconded from Compton Care. This has generated a number of recommendations for improving and extending Groundwork's commercial ventures through better internal systems, new e-commerce platforms and the potential to invest in a series of 'destination outlets' bringing together a range of retail, enterprise and community project activities under one roof.
- During the last year we kickstarted a major project to redevelop Groundwork's online presence to create a single, integrated system helping all parts of Groundwork promote services and solicit support. A key aim for the future is for the new system to provide a platform for developing a more extensive digital offer to communities, complementing the face-to-face support provided by our local teams.



# Our plans for the future

In order to ensure Groundwork UK's activities are fully aligned with the needs and expectations of our wider federation, our forward plans are clearly and explicitly driven by Groundwork's collectively agreed strategy. This can be summarised as follows.

## Groundwork 2020

### Our mission:

We work locally and nationally to transform lives in the UK's most disadvantaged communities.

### Our strategy:

**Between 2018 and 2020 we have collectively committed ourselves to:**

- improving people's prospects
- creating better places
- promoting greener living and working

**by delivering projects, programmes and services with the following targets:**

- mobilising people of all ages to give 1 million hours of their time to social action in their local communities
- inspiring and supporting 100,000 young people to learn, achieve and develop as more active citizens
- helping 10,000 people to progress in education, access training or start work
- providing advice, funding and practical support to 15,000 community groups
- improving and helping look after 5,000 green spaces
- helping 150,000 people save money on their bills or stay warm and well in their homes
- supporting 5,000 businesses to reduce their impact on the environment or increase their commitment to the community.

**and by transforming our organisation through the following priority actions:**

- improving our communications and building a network of ambassadors and supporters giving their time, voice and money to support our mission
- strengthening and diversifying our income base by demonstrating our distinctive value to public sector commissioners and engaging more creatively with business partners
- increasing the quality and impact of our local projects and services by enabling our specialist staff to operate at bigger scale with better systems and support from high quality and consistent enabling functions.

Groundwork UK's operational plan sets out what we will do to help the federation work towards these strategic aims. In 2019/20 this means targeting the following objectives.

### 1. A better-known Groundwork

- **National voice** – building Groundwork's visibility and credibility, using research and evidence to highlight the need for our services and our ability to connect policy and practice.
- **Relationship lead** – building and maintaining relationships with national stakeholders where these benefit the federation, including with government, business and other VCS organisations.
- **Communications hub** – supporting consistent, high quality communications across the federation, driving campaigns and activities in partnership with Trusts that raise profile nationally and locally.

### 2. A better-funded Groundwork

- **Programme manager** – managing partnerships and large-scale programmes where this brings financial or reputational value to the federation, including acting as a prime contractor or managing agent for targeted Trust delivery.



- **Grant distributor** – growing our business as a national provider of grants and support to communities where this supports our mission, increases the market for Groundwork’s services and helps resource other federation functions.
- **Diversification driver** – building relationships, supporting pilots, unlocking investment and testing ideas that help diversify and grow Groundwork’s collective income base.

### 3. A better quality Groundwork

- **Innovation lab** – providing a platform and managing networks to help Trusts learn from each other, identify good practice and replicate and scale successful approaches.
- **Quality coordinator** – supporting experts to identify and set quality standards and ensuring these are embedded consistently in practice across the federation.

### 4. Building a Better Groundwork

- **Project lead** – driving and resourcing a transformation plan aimed at scaling up service delivery, increasing the quality and consistency of business management and supporting the consolidation of structures in order to help Groundwork deliver greater impact by growing and diversifying its income base.

#### Key elements in this plan include:

- leading programmes of research and communications around supporting communities to deliver practical environmental action – linking with the Government’s Year of Green Action and our commitment to the #iWill4Nature campaign.
- representing Groundwork at national policy and practitioner forums, with particular reference to parks and green spaces, skills and employment support.
- delivering a programme of outreach and events to raise Groundwork’s profile as a social value and charity partner of business.
- developing a network of business supporters, ambassadors and alumni in order to maximise visibility and support positioning and income generation activities.
- maintaining and building Groundwork’s commitment to youth participation and youth social action through development of the Groundwork Youth platform.
- developing and managing programmes of local delivery in a way that meets funder expectations, covers the costs of delivery and supports Groundwork Trusts and delivery partners to maximise performance and impact.
- building our portfolio of grant programmes linking easy to access funds with face-to-face support to help build the capacity of grassroots organisations.
- leading development of a national retail strategy, supporting Groundwork Trusts to improve the profitability of existing operations and identifying opportunities for expansion.

- managing self-assessment, quality monitoring and continual improvement processes at Groundwork UK and working to share and embed good practice across the federation.

During the period ahead two processes currently in train could have a significant impact on the way we manage our operations.

- Driving the Building a Better Groundwork programme will require us to invest resources in our own capacity (through a transformation team) and in change processes across the federation. This will have both financial consequences and impact on the priorities of our senior team. As the plan evolves it may also generate new ideas or imperatives for how Groundwork UK itself operates, potentially leading to changes in our structures, skills and systems.
- We have agreed the sale of our main Lockside property in Birmingham for development, in part to generate a fund to invest in the transformation of working practices across Groundwork. This will necessitate a substantial project to re-locate our staff and systems to new premises but also the opportunity to refocus our skills and resources given we will no longer need to manage a large property, commercial meeting rooms and a number of tenancies.

# Financial performance

Groundwork UK's net incoming resources for 2018/19 totalled £33 million (2018: £29 million), with an unrestricted surplus of £62k (2018: £136k), compared to a budgeted surplus of £60k, which will help us bolster our reserves position in line with our agreed policies. In addition to this income, we received funds and distributed grants totalling £2.8 million, funds for which we are responsible but which are not included in our stated turnover.

## 4.1 Financial strategy

Our long-term financial strategy has three clear and linked strands as follows:

to manage our overhead costs to ensure discretionary spending is focused on supporting front line delivery and generating more income while maintaining the capacity we need to operate effectively and safely

to achieve an operating surplus so that we can hold a level of reserves sufficient to sustain our charitable operations and strengthen our balance sheet to support commercial services and manage the risk of outcome-based funding arrangements

to use our increased financial strength to support the whole of Groundwork to increase its resilience, diversify its income streams and maximise its impact in communities.

## 4.2 Reserves

In line with this financial strategy, our trustees have agreed that we should aim to hold 12 months operating costs (c £1.1 million) in liquid reserves. We believe this is appropriate for the following reasons:

- to absorb short term setbacks such as loss or delays in funding
- to provide the working capital required to finance retrospective programme funding which can result in considerable timing differences between expenditure and receipt of funds
- to cover the cost of investing in staff training and development to develop new and improved services for Groundwork
- to cover the cost of developing new services, such as improved communications, research and quality and business information systems
- to set aside funds for capital assets such as ICT equipment
- to provide funding to cover any unforeseen downturn in activity, allowing alternative activity to be generated and/or a planned down-sizing of our staff team.

The above needs for reserves have to be balanced against the following factors:

- the need to be seen as a responsible charity by the Charity Commission, our partners and funders, our member Trusts within Groundwork and the communities we serve

- the need to avoid the creation or retention of unnecessary surpluses for which there is no future planned requirement or that bear no relation to our charitable aims.

Our level of free liquid reserves at the end of 2018/19 stands at c£400k. Our general fund reserve does not include designated funds which have been set aside for specific purposes, or restricted funds which represent advance payments by funders held by Groundwork UK pending completion of project work by Groundwork Trusts and other delivery partners.

Unrestricted reserves, excluding designated reserves, total £1,998k (2018: £1,936k) with restricted funds of £344k (2018: £298k). Designated funds of £148k will be spent over the next two years supporting the costs of our Building a Better Groundwork transformation programme.

Restricted funds totalling £344,066 (2018: £297,812) can only be used in accordance with agreements reached with funders relating to programmes of work and therefore do not form part of the general reserves that are under the control of the trustees. These funds will all be distributed during 2019/20. The future movements on any such restricted funds reflect the long-term nature of Groundwork UK's programme activity and in no way reflects on the organisation's financial efficiency or performance.

### 4.3 Investments

The majority of the funds obtained by Groundwork UK are provided against specified projects for particular needs and are therefore of a restricted nature. This funding is substantially distributed to Groundwork Trusts and other delivery partners acting as subcontractors on programmes under our management or to third party organisations in the form of grants for local project activity. Any funds that are built up in advance of expenditure are kept as liquid as possible, whilst making every effort to maximise any available investment return.

Cash that is unrestricted in nature and is not required in the short term (regarded as six months) is considered for long-term investment. Since 2010 we have invested these funds in a managed fund arrangement with a current target to deliver an annual return of 3% above the Consumer Prices Index. In the last year, our investments only returned a 0.6% increase (compared to 2.9% in the previous year), impacted heavily by the turbulent political and economic context. The value of units in the fund has grown by 22.2% over the last five years. All of these funds can be converted into cash without notice or penalty, should there be an immediate need for liquid funds.

During the last year our trustees undertook a review of our investment arrangements and agreed to switch to new investment managers (Rathbones) with the aim of achieving the same or improved levels of return while accessing investment products with more transparent arrangements in line with our ethical investment policy. We will maintain an investment strategy which is in line with the risk appetite of our trustees – protecting our capital from the volatility of the stock market while targeting steady, long-term growth.

### 4.4 Grant making policy

Groundwork UK delivers its mission primarily by distributing grants to Groundwork Trusts, other delivery partners and to community groups. These funds are considered to be performance-related grants and are recognised in these financial statements to the extent that the projects which they are funding have been completed. All grant programmes have specific guidelines, criteria and priorities with a formal process of

### 4.5 Principal funding sources

Our major sources of funding during the last year are set out below.

- **Private sector grants and contracts** – £26.9 million (£24.7 million in 2017/18). This includes funds provided by businesses, trusts and foundations, most notably £23 million provided by Tesco to support community groups through the Bags of Help programme. Other major funders during 2018/19 included HS2 and OneStop.
- **Public sector grants and contracts** – £5.9 million (£3.2 million in 2017/18). This includes funding secured to deliver programmes and services on behalf of government departments, public bodies and lottery distributors. Major funders during 2018/19 included the National Lottery Community Fund, the European Social Fund and the Ministry for Housing, Communities and Local Government.

### 4.6 Expenditure on charitable objectives

In line with the objectives set in our Groundwork 2020 strategy and the Groundwork UK business plan, our expenditure in the year was directed towards the following activities.

- **Grants to community groups and individuals** – £27.1 million (2018: £22.5 million). Providing resources to enable local communities to deliver projects aimed at improving their neighbourhoods.
- **Programme delivery** – £3.6 million (2018: £3.5 million). Providing resources to support front line delivery by Groundwork Trusts and other partner organisations as part of commissioned services or funded programmes.
- **Programme management** – £1.2 million (2018: £1 million). The costs of managing and coordinating grant distribution and programmes of local delivery, providing the reporting needed by our partners and funders and learning from our delivery to influence future programmes and policy.
- **Fundraising** – £252k (2018: £286k). The cost of generating resources to support local delivery through campaigns, communications and bidding activities.
- **Supporting our federation** – £209k (2018: £187k). Providing systems and services to enable Groundwork Trusts to communicate effectively, share knowledge and collaborate.
- **Running our organisation** – £596k (2018: £562k). Ensuring Groundwork UK operates safely and efficiently with appropriate systems, quality standards and premises.



#### 4.7 Key Performance Indicators

Data against a number of key performance indicators is presented to our trustees on a quarterly basis to measure our success in profile raising, income generation, programme management and continual improvement. These KPIs are tracked on a rolling basis and compared to target levels of performance outlined in our annual business plan.

Monthly management accounts track progress against our financial targets and reforecasts to the year end are made monthly. A key performance indicator is the amount of income secured as a percentage of forecast salaries and operating costs. This informs year-end forecasts based on prior years' experience.

Performance during 2018/19 has been positive across the majority of indicators with targets met or exceeded in terms of visibility and stakeholder satisfaction. Programme performance has been a more mixed picture with high levels of success achieved in our grant administration activities but more challenge encountered in meeting stretching targets attached to our programmes of subcontracted delivery. We have worked closely with Groundwork Trusts and other delivery partners to address this through supportive performance management arrangements, keeping our funders fully informed, and performance rates have improved over the year.

#### Sustainable Development Report

Groundwork's charitable mission is to promote sustainable development – helping communities and individuals develop the understanding and capability to take action and make choices that deliver social equity and economic prosperity while recognising the need to live within the earth's finite natural resources. In order to have credibility as an organisation we need to demonstrate that the principles of sustainable development underpin the way we go about our work. Our sustainable development policy commits us to reporting on how these principles are integral to the way we plan and manage our operations, support our employees and utilise our resources.

##### Areas of progress

As a growing team, we continue to focus on ensuring that our staff adopt more sustainable practices in the workplace, both through ongoing reinforcement of messages around electricity use and waste but also through dedicated campaigns to promote sustainable travel, meat-free diets and volunteering. This is embedded in our values, which now form a more overt part of our recruitment, induction and performance appraisal processes.

We continue to recycle as much of our waste as possible and to prioritise ethical suppliers in our purchasing arrangements for utilities, catering, cleaning and promotional materials. In the last year we have started to monitor travel associated with the management of our programmes in order to establish trends and to aim to improve our practices.

Each quarter, statistics regarding travel are shared with staff, highlighting the number of miles and the carbon produced by travel for each programme. This encourages staff to reduce unnecessary travel, and to utilise public transport and more sustainable alternatives where possible. We have a sustainable living staff group dedicated to promoting greener working practices.

We continue to offer support to staff to promote active lifestyles (e.g. through our bike purchase scheme) and to reinforce positive physical and mental health through awareness campaigns and the dissemination of training, for example in mental health first aid.

Switching our investment management arrangements to a company with a stronger commitment to ethical fund management and reporting will enable us to ensure our resources are not being used to support businesses that damage the environment or directly cause ill health.

##### Priorities for action

As a small team of people, we recognise the biggest impact we can make lies in the programmes we manage and the campaigns we run. Our focus is on securing funds that can help people and groups make a positive impact on the environment, but we know we can do more to provide support to all those benefiting from our programmes to act in a more environmentally responsible way. As the whole of Groundwork refreshes its strategy for the next five years, we will press for a stronger focus on developing programmes and services that help communities tackle waste and climate change.

# Principal risks and uncertainties

Our Board of Trustees understands its responsibilities under the SORP for ensuring that the major risks to which the charity is exposed are identified and reviewed, and that there are systems in place to mitigate them.

Trustees regularly review the development and operation of our risk management process and receive quarterly updates on actions put in place to mitigate the most significant ongoing risks. Risks are identified by our staff teams and reviewed on a regular basis by our management team. All of Groundwork UK's major programmes are managed on a risk basis with individual risk registers used both as management and reporting tools. We have a comprehensive business recovery plan in place which is designed to ensure continuity of Groundwork UK's operations in the event of a crisis or disaster situation and which has been tested through scenarios in each team.

The major areas of potential risk, for which we have active mitigation strategies in place, are as follows.

- Business failure, poor delivery quality or other reputational issues within our federation or associated with Groundwork UK's programmes.
- A serious safeguarding or health and safety incident occurring on a programme managed by Groundwork UK and the impact this could have both on those involved and to our reputation.
- An ICT failure, cybersecurity incident or data breach that leads to financial penalties and reputational damage.
- The unexpected withdrawal or clawback of funding from a major partner arising from a failure to meet targets or comply with funding requirements or simply due to changed priorities.

Groundwork UK recognises that risk management is an essential part of good business practice and an effective mechanism of good governance. The Board is committed to ensuring that risk management processes are embedded throughout the organisation, and that these processes are used to help identify at an early stage issues that affect performance or the achievement of our purpose.

However, trustees also recognise that our process can only seek to manage rather than eliminate risk, and that it should therefore be only one of the tools that the Board uses to provide effective control and management of the administration of the charity.

## Financial instruments

Groundwork UK's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. Our policy is to finance fixed assets and working capital through a mixture of retained reserves and bank borrowing. Groundwork UK does not use hedge accounting. We finance fixed assets through borrowings for a term broadly expected to match the useful economic lives of the assets.

We currently have an arrangement with our bankers such that no interest is payable if sufficient cash funds are held in our accounts.

# Statement of trustees' responsibilities

The trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## Events after the year end

In line with our plans for the year, the trustees have agreed the sale of our Lockside building in order to generate additional funds to support consolidation in the Groundwork federation and to meet our reserves policy. This will also allow Groundwork UK to move to premises that are more suited to its current needs. A sale price of £2.2 million has been agreed subject to contract.

## Disclosure of information by the trustees to the auditor

Each of the trustees has confirmed that, so far as they are aware, there is no relevant audit information of which Groundwork UK's auditor is unaware, and that they have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that Groundwork UK's auditor is aware of that information.

Signed on behalf of the Board of Trustees

**Graham Hartley, Chairman**  
16 September 2019



# Independent auditor's report

## to members of THE FEDERATION OF GROUNDWORK TRUSTS (TRADING AS GROUNDWORK UK)

### Opinion

We have audited the financial statements of Groundwork UK (The Federation of Groundwork Trusts) ("the Charitable Company") for the year 31 March 2019 ended which comprise the statement of financial activities, the balance sheet, the cash flow statement 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, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31st March 2019 and of the incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK)

(ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements 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 related 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 other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: the Annual report. The Trustees are responsible for the other information.

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.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have 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 misstatement in the Strategic report or the Trustee's report.

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

- adequate accounting records have not been kept by the Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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 Directors' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the **Financial Reporting Council's (FRC's)** website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's 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.

### Kyla Bellingall (Senior Statutory Auditor)

For and on behalf of BDO LLP,  
statutory auditor  
Birmingham

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDED 31 MARCH 2019

		2019	2019	2019	2019	2018
		Unrestricted funds		Restricted funds	Total	Total
	Note	General	Designated			
		£	£	£	£	£
<b>INCOME FROM</b>						
Donations and Legacies	2	107,468	2,602	-	110,070	22,858
Charitable activities	3	3,661,912	-	29,117,777	32,779,689	28,119,376
Other trading activities	2	248,688	-	-	248,688	270,527
Investments	2	154,479	-	-	154,479	127,220
<b>Total</b>		<b>4,172,547</b>	<b>2,602</b>	<b>29,117,777</b>	<b>33,292,926</b>	<b>28,539,981</b>
<b>EXPENDITURE ON</b>						
Raising funds	4	28,190	-	224,151	252,341	285,559
Charitable activities	5	4,039,501	62,322	28,847,372	32,949,195	28,088,556
<b>Total</b>		<b>4,067,691</b>	<b>62,322</b>	<b>29,071,523</b>	<b>33,201,536</b>	<b>28,374,115</b>
<b>Net (loss)/gains on investment</b>	11	<b>(20,018)</b>	<b>-</b>	<b>-</b>	<b>(20,018)</b>	<b>123,145</b>
<b>Net income</b>	8	<b>84,838</b>	<b>(59,720)</b>	<b>46,254</b>	<b>71,372</b>	<b>289,011</b>
<b>Transfers between funds</b>		<b>(22,513)</b>	<b>22,513</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (income/expenditure) after transfers</b>		<b>62,325</b>	<b>(37,207)</b>	<b>46,254</b>	<b>71,372</b>	<b>289,011</b>
<b>OTHER RECOGNISED GAINS</b>						
Gains on revaluation of fixed assets for charity's own use		-	-	-	-	130,000
Net movement in funds		62,325	(37,207)	46,254	71,372	419,011
<b>RECONCILIATION OF FUNDS</b>						
Fund balances brought forward	18	1,935,783	185,163	297,812	2,418,758	1,999,747
<b>Fund balances carried forward</b>	18	<b>1,998,108</b>	<b>147,956</b>	<b>344,066</b>	<b>2,490,130</b>	<b>2,418,758</b>

Incoming resources and resources expended derive from continuing operations.

The company has no other recognised gains or losses other than those passing through the statement of financial activities. The notes pages 32 to 47 form part of these financial statements.



# CHARITY BALANCE SHEET

AT 31 MARCH 2019

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	9	1,035,819	1,042,169
Investment property	9	1,027,500	1,027,500
Investments	10	3	5
		<u>2,063,322</u>	<u>2,069,674</u>
<b>CURRENT ASSETS</b>			
Investments	11	970,453	964,506
Debtors	12	6,918,348	6,413,127
Cash at bank		<u>5,630,147</u>	<u>4,881,084</u>
		13,518,948	12,258,717
<b>CREDITORS:</b> amounts falling due within one year	13	<u>(12,624,639)</u>	<u>(11,381,738)</u>
<b>Net current assets</b>		<u>894,309</u>	<u>876,979</u>
<b>Total assets less current liabilities</b>		2,957,631	2,946,653
<b>CREDITORS:</b> amounts falling due within one year	14	(401,557)	(479,293)
<b>Provisions for liabilities</b>	16	<u>(65,944)</u>	<u>(48,602)</u>
<b>Net assets</b>	17	<u>2,490,130</u>	<u>2,418,758</u>
<b>RESERVES:</b> Unrestricted funds			
General Funds	18	1,670,608	1,608,283
Designated funds	18	147,956	185,163
Investment property revaluation	18	327,500	327,500
Restricted funds	18	<u>344,066</u>	<u>297,812</u>
		<u>2,490,130</u>	<u>2,418,758</u>

These finance statements were approved by the Board of Trustees and authorised for issue on 16 September 2019 and were signed on its behalf by:

**Graham Hartley, Chairman**

The notes pages 32 to 47 form part of these financial statements.

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

	Note	2018/19 £	2017/18 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash used in operating activities	22	698,285	626,627
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends, interest and rents from investments		154,479	127,220
Purchase of property, plant and equipment		-	(13,784)
Purchase of investments		(25,965)	(33,875)
<b>NET CASH PROVIDED BY INVESTMENT ACTIVITIES</b>		<u>826,799</u>	<u>706,188</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of borrowing		<u>(77,736)</u>	<u>(77,736)</u>
Change in cash and cash equivalents in the reporting period		<u>749,063</u>	<u>628,452</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>4,881,084</u>	<u>4,252,632</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>5,630,147</u>	<u>4,881,084</u>

The notes pages 32 to 47 form part of these financial statements.



# Notes forming part of the financial statements

**FOR THE YEAR ENDED 31 MARCH 2019**

## 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the financial statements.

### a) Basis of preparation

The financial statements have been prepared under the historical cost convention and comply with the Companies Act 2006. The financial statements have been prepared in accordance with applicable Accounting Standards and comply with the requirements of the Statement of Recommended Practice, "Charities SORP (FRS 102)".

The trustees and management team consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The results of acquisitions are accounted for from the relevant date of acquisition under the acquisition method of accounting.

Accounting policies are supplemented by estimation techniques where judgement is required in measuring the value of income and expenditure and of assets and liabilities. The onerous lease provision at Fourways House has been calculated based on the estimation for future expenditure against potential future income. The building valuation at Lockside, Scotland Street, has been valued based on a professional surveyor's opinion.

### b) Grants and other income

Revenue and capital based grants are credited to the statement of financial activities in the year in which they are received or become receivable under the terms of a grant agreement.

Where grants are considered to be performance related, income is recognised to the extent that the services outlined in the funding agreement had been performed by the year end. Where income has been received but the related services had not been performed by the year end, the balance is carried forward as deferred income.

Donations are accounted for on a cash received basis.

Rental income is recognised in the period to which it relates.

Incoming resources have been allocated between the key strategic areas of activity on a basis consistent with the allocation of expenditure (note 1(d)).

### c) Grants payable

Grants offered to Groundwork Trusts and other organisations are typically paid in stages, with stage payments dependent upon the submission of claims detailing the work that has been completed. Claims which fall due within the year, which relate to work completed before the year-end, have been accrued for if they had not been paid during the year.

### d) Expenditure

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly allocated, they have been allocated to activities on a basis consistent with the use of resources.

Costs of raising funds relate to the cost of external promotion and publicity to raise the profile of the charity and its objectives and costs associated with bids for funding.

Direct costs of charitable activities are those costs, which have been expended on delivery programmes. Support costs have been allocated to the key strategic areas of activity on the basis of the percentage of staff time spent on each of these areas.

### e) Funds

Unrestricted funds are those which are available for use at the discretion of the Board of Trustees in furtherance of the general objectives of the charity. The Board may, at its discretion, set aside unrestricted funds for specific future purposes and these are referred to as Designated Funds. Where such funds are no longer required for the intended purposes they are released back to general unrestricted reserves.

Restricted funds are those which can only be used for purposes specified by the donor, or which have been raised under the terms of a specific bid. Expenditure under the terms of the grant agreement is shown as restricted expenditure.

**f) Depreciation**

Tangible fixed assets are stated at cost less provision for depreciation.

Depreciation is calculated so as to write off the cost less the estimated residual value of tangible fixed assets by equal annual instalments over their estimated useful economic lives as follows:

<b>Leasehold buildings:</b>	<b>50 years</b>
<b>Office equipment:</b>	<b>4 years</b>
<b>Computer equipment:</b>	<b>3 years</b>

**g) Pensions**

The company contributes to two defined contribution schemes. Contributions are charged to the statement of financial activities as they become payable.

**h) Operating leases**

Rentals paid under operating leases are charged to the statement of financial activities on a straight-line basis over the life of the asset.

**i) Provisions**

Provisions for future liabilities are recognised when the charity has a legal or constructive obligation that can be reliably estimated and for which there is an expectation that payment will be made.

**j) Current asset investments**

Investments held are valued at market value. Unrealised gains and losses on the revaluation of investments are recognised in the statement of financial activities.

**k) Investment Properties and Revaluation of Fixed Assets**

The Charities SORP (FRS 102) requires that mixed use properties should be split between tangible fixed assets and investment property. Our property is valued on a fair value basis and has been split 50/50 based on two of the four floors being available to let. Going forward, an adjustment will be made each year end based on current fair value.

**l) Estimates and judgements**

The property valuations referred to above are based on professional opinion of fair value from an RCIS qualified valuer at Savills (UK) Ltd, chartered surveyors. The property is valued at fair value, based on an offer received of £2.2 million that is expected to complete during 2019–20. The valuers have determined that fair value is the value of the building and car park for residential use.

In addition, an estimate has been made by management on liabilities associated with an onerous lease on our Fourways House property in Manchester. The estimate is made based on expected future outgoings less secured income to the end of the lease in 2020.



## 2. Incoming resources

### Incoming resources from generated funds

	Unrestricted 2019	Designated 2019	Restricted 2019	Total 2019	Total 2018
	£	£	£	£	£
<b>VOLUNTARY INCOME</b>					
Donations and gifts	107,468	2,602	-	110,070	22,858
	<u>107,468</u>	<u>2,602</u>	<u>-</u>	<u>110,070</u>	<u>22,858</u>
<b>OTHER TRADING ACTIVITIES</b>					
Rental income	117,788	-	-	117,788	139,027
Membership Fee	130,900	-	-	130,900	131,500
	<u>248,688</u>	<u>-</u>	<u>-</u>	<u>248,688</u>	<u>270,527</u>
<b>OTHER TRADING ACTIVITIES</b>					
Rental income	88,548	-	-	88,548	83,575
Dividends	29,080	-	-	29,080	33,875
Bank interest	36,851	-	-	36,851	9,770
	<u>154,479</u>	<u>-</u>	<u>-</u>	<u>154,479</u>	<u>127,220</u>

## 3. Incoming resources

### Incoming resources from charitable activities

	Unrestricted 2019	Designated 2019	Restricted 2019	Total 2019	Total 2018
	£	£	£	£	£
<b>Income for project delivery was secured from the following sources:</b>					
Central government	285,099	-	-	285,099	142,811
Local authorities	27,941	-	959,739	987,680	9,287
Public agencies	611,365	-	2,503,335	3,114,700	1,834,139
Private sector	2,725,041	-	24,138,016	26,863,057	24,650,708
National Lottery	-	-	1,516,687	1,516,687	1,231,765
Other	12,466	-	-	12,466	250,666
	<u>3,661,912</u>	<u>-</u>	<u>29,117,777</u>	<u>32,779,689</u>	<u>28,119,376</u>

**3. Incoming resources (continued)**

	Unrestricted 2019	Designated 2019	Restricted 2019	Total 2019	Total 2018
	£	£	£	£	£
<b>Income was allocated to:</b>					
Programme delivery	3,443,716	-	27,382,789	30,826,505	26,331,388
Programme management	128,686	-	1,023,249	1,151,935	1,038,553
Federation support	23,223	-	184,655	207,878	187,262
Running Groundwork UK	66,287	-	527,084	593,371	562,173
	<u>3,661,912</u>	<u>-</u>	<u>29,117,777</u>	<u>32,779,689</u>	<u>28,119,376</u>

For definitions of the above categories, see page 23

**4. Cost of raising funds**

	Unrestricted 2019	Designated 2019	Restricted 2019	Total 2019	Total 2018
	£	£	£	£	£
Staff costs	24,012	-	190,929	214,941	209,178
Other costs	4,178	-	33,222	37,400	76,381
	<u>28,190</u>	<u>-</u>	<u>224,151</u>	<u>252,341</u>	<u>285,559</u>

**5. Charitable activities**

	Unrestricted 2019	Designated 2019	Restricted 2019	Total 2019	Total 2018
	£	£	£	£	£
<b>Expenditure on projects related to the following activities:</b>					
Programme delivery	3,798,807	58,609	27,128,497	30,985,913	26,302,527
Programme management	141,955	2,190	1,013,746	1,157,891	1,037,415
Federation support	25,617	395	182,940	208,952	187,058
Running Groundwork UK	73,122	1,128	522,189	596,439	561,556
	<u>4,039,501</u>	<u>62,322</u>	<u>28,847,372</u>	<u>32,949,195</u>	<u>28,088,556</u>

**5. Charitable activities (continued)**

	Grants payable	Other direct costs of activities	Support costs	Total 2019	Total 2018
	£	£	£	£	£
<b>Expenditure on projects comprised:</b>					
Programme delivery	27,144,599	3,080,198	761,116	30,985,913	26,302,527
Programme management	1,014,348	115,102	28,441	1,157,891	1,037,415
Federation support	183,049	20,771	5,132	208,952	187,058
Running Groundwork UK	522,499	59,290	14,650	596,439	561,556
	<u>28,864,495</u>	<u>3,275,361</u>	<u>809,339</u>	<u>32,949,195</u>	<u>28,088,556</u>
	Grants to institutions	Grants to individuals	Grant support costs	Total 2019	
	£	£	£	£	
<b>Analysis of grants:</b>					
Creating better places	12,410,507	-	347,982	12,758,489	
Improving people's prospects	6,073,900	151,137	174,545	6,399,582	
Promoting greener living and working	10,228,951	-	286,812	10,515,763	
	<u>28,713,358</u>	<u>151,137</u>	<u>809,339</u>	<u>29,673,834</u>	
	Grants to institutions	Grants to individuals	Grant support costs	Total 2018	
	£	£	£	£	
<b>Analysis of grants:</b>					
Creating better places	13,783,280	-	457,901	14,241,181	
Improving people's prospects	3,668,584	-	121,876	3,790,460	
Promoting greener living and working	6,596,947	-	219,161	6,816,108	
	<u>24,048,811</u>	<u>-</u>	<u>798,938</u>	<u>24,847,749</u>	



## 5. Charitable activities (continued)

	2019	2018
	£	£
<b>Support costs are analysed as follows:</b>		
Staff costs	440,618	403,197
Temporary staff and recruitment	2,281	1,086
Legal and professional	26,833	20,898
Travel and subsistence	25,496	21,304
Training and meetings	5,711	5,322
IT support	95,133	129,701
Other costs	213,267	217,430
	<u>809,339</u>	<u>798,938</u>

## 6. Employees

	2019	2018
<b>The average monthly number of employees during the year was as follows:</b>		
Programme management	30	25
Management and administration	4	4
Fundraising and communications	7	6
	<u>41</u>	<u>35</u>

	2019	2018
	£	£
<b>The aggregated cost of these persons was as follows.</b>		
Wages and salaries	1,210,131	1,078,047
Social security costs	117,920	106,050
Pension costs (see note 20)	195,079	178,154
	<u>1,523,130</u>	<u>1,362,251</u>

	2019	2018
	£	£
<b>The emoluments of employees (excluding pension contributions) over £60,000 per annum are disclosed in £10,000 bands as follows.</b>		
£60,000–£70,000	2	2
£80,000–£90,000	1	1

The key senior management personnel of the charity are the Chief Executive Officer, Director of Finance and Corporate Services, Director of Partnerships and Programmes and the Head of Contracts with a total cost in 2019 of £307,184 (2018: £304,342). Total contributions under defined contribution schemes on behalf of these higher paid employees were £15,803 (2018 : £15,646).

## 7. Transactions with trustees

During the year ended 31 March 2019 eight trustees (2018: 7) received reimbursed travel and subsistence expenses amounting in total to £8,547 (2018: £1,489). No trustees received any remuneration during the year.

## 8. Net incoming resources

	2019	2018
	£	£
<b>Net incoming resources for the year is stated after charging:</b>		
Auditor's remuneration:		
Audit – company	15,400	16,450
Depreciation	6,350	13,834
Rentals payable under operating leases:		
Equipment	498	1,423
Land and buildings	59,845	102,056

Premiums of £634 (2018: £561) were paid on a professional indemnity policy to protect the charity and trustees from loss arising from the neglect or defaults of trustees.

## 9. Tangible assets

	Long leasehold land and buildings	Office and company equipment	Total
	£	£	£
<b>COST OR VALUATION</b>			
At 1 April 2018	1,308,433	801,062	2,109,495
Additions	-	-	-
Revaluation reserve	-	-	-
As at 31 March 2019	1,308,433	801,062	2,109,495
<b>DEPRECIATION</b>			
At 1 April 2018	280,933	786,393	1,067,326
Charged for the year	-	6,350	6,350
At 31 March 2019	280,933	792,743	1,073,676
<b>NET BOOK VALUE</b>			
At 31 March 2019	1,027,500	8,319	1,035,819
At 31 March 2018	1,027,500	14,669	1,042,169

The historical cost of the long leasehold land and buildings is £1,025,105 (2018: £1,025,105)

## 9. Tangible assets

Long leasehold land  
and buildings

£

Investment property:

### COST OR VALUATION

At 1 April 2018

1,027,500

Revaluation adjustment

—

At 31 March 2019

1,027,500

## 10. Investments held as fixed assets

Shares in  
subsidiary  
undertakings

£

### COST

At 1 April 2018

5

Disposals

(2)

At 31 March 2019

3

Name	Nature of business registration	Country of registration	Class of shares held	Proportion
Groundwork Trade Association Ltd	Dormant	England	Ordinary	100%
Groundwork Enterprises Ltd	Dormant	England	Ordinary	100%
Groundwork UK Ltd	Dormant	England	Ordinary	100%

The companies listed below were dissolved during the year.

Groundwork North West Ltd	Dormant	England	Ordinary	100%
Groundwork NW Ltd	Dormant	England	Ordinary	100%
The Crime Concern, Marks & Spencer, Groundwork Partnership ("Youthworks")	Dormant	England	Guarantee	100%
Groundwork in the North West	Dormant	England	Guarantee	100%
Groundwork South East	Dormant	England	Guarantee	100%

All of the above companies are registered in England and Wales.



**10. Investments held as fixed assets (continued)**

	Net assets		Retained surplus for the year	
	2019	2018	2019	2018
	£	£	£	£
<b>SUBSIDIARY UNDERTAKING</b>				
Groundwork Trade Association Ltd	4,000	4,000	-	-
Groundwork Enterprises Ltd	25,002	25,002	-	-
Groundwork UK Ltd	1	1	-	-
Groundwork North West Ltd	-	1	-	-
Groundwork N W Ltd	-	1	-	-
Youthworks	-	-	-	-
Groundwork in the North West	-	-	-	-
Groundwork South East	-	-	-	-

**11. Current asset investments**

	Listed investments
	£
<b>COST</b>	
At 1 April 2018	964,506
Income reinvested dividend	25,965
Net loss on revaluation	(20,018)
At 31 March 2019	970,453

Investments are held in a managed mixed fund, which is designed to deliver a return of between 3% and 4% above the Consumer Price Index, over a rolling three year period.

**12. Debtors**

	2019	2018
	£	£
Grants receivable	4,606,499	4,798,378
Other debtors	5,043	4,869
Prepayments and accrued income	2,306,806	1,609,880
	6,918,348	6,413,127

**13. Creditors**

	2019	2018
	£	£
Bank loans	<b>77,737</b>	77,736
Grants due and payable	<b>944,776</b>	2,200,915
Social security and other taxes	<b>49,797</b>	45,260
Other creditors	<b>48,733</b>	14,181
Accruals	<b>11,438,464</b>	8,879,398
Deferred income (note 15)	<b>65,132</b>	164,248
	<b>12,624,639</b>	11,381,738

**14. Creditors: amounts falling due in more than one year**

	2019	2018
	£	£
Bank loan	<b>401,557</b>	479,293
<b>BANK LOAN</b>		
1 year	<b>77,736</b>	77,736
2 to 5 years	<b>233,208</b>	233,208
> 5 Years	<b>90,613</b>	168,349
	<b>401,557</b>	479,293

**Creditors include amounts not wholly repayable within five years as follows:**

Bank loans	<b>90,613</b>	168,349
------------	---------------	---------

Bank loan relates to mortgage loan, secured over Groundwork UK's leasehold property in Birmingham (Lockside), being repaid by monthly instalments. Interest is charged on the outstanding amount at 2.75% over the banks' base rate. The charity has an arrangement with its bankers such that no interest is payable if cash funds are held with its bankers in excess of loan amounts.

## 15. Deferred income

Movements in deferred income during the year were as follows.

	Balance at 1 April 2018	Transferred from deferred income	Balance at 31 March 2019
	£	£	£
Programmes	164,248	(99,116)	65,132

Net incoming resources as show in the Statement of Financial Activities result from the following:

	Income Received	Transferred from deferred income	Net incoming resources
	£	£	£
Unrestricted funds	33,193,810	99,116	33,292,926

Deferred income related to income received for programmes with delivery in the next year.

## 16. Provisions for liabilities

Movements in deferred income during the year were as follows.

	Onerous lease
	£
<b>CHARITY</b>	
At 1 April 2018	48,602
Additions	56,698
Utilised	<u>(39,356)</u>
At 31 March 2019	<u>65,944</u>

The provisions relate to an onerous lease provision on Groundwork UK's Fourways House premises in Manchester. During prior years the charity reduced its usage of the building on which it has a lease, which runs until 2020. The provision represents any rent and service charges due to be paid less any expected amounts receivable from sub-letting the property.



**17. Analysis of net assets at 31 March 2018**

	Unrestricted funds	Restricted funds	Total
	£	£	£
Tangible fixed assets	1,042,169	-	1,042,169
Investment property	1,027,500	-	1,027,500
Investments	5	-	5
Net current assets	579,167	297,812	876,979
Long term creditors	(479,293)	-	(479,293)
Provisions	(48,602)	-	(48,602)
	<u>2,120,946</u>	<u>297,812</u>	<u>2,418,758</u>

**Analysis of net assets at 31 March 2019**

	Unrestricted funds	Restricted funds	Total
	£	£	£
Tangible fixed assets	1,035,819	-	1,035,819
Investment property	1,027,500	-	1,027,500
Investments	3	-	3
Net current assets	550,243	344,066	894,309
Long term creditors	(401,557)	-	(401,557)
Provisions	(65,944)	-	(65,944)
	<u>2,146,064</u>	<u>344,066</u>	<u>2,490,130</u>

**18. Statement of funds**

	Designated fund	Revaluation reserve	General fund	Total
	£	£	£	£
<b>UNRESTRICTED FUNDS</b>				
At 1 April 2017	236,322	197,500	1,342,388	1,776,210
Incoming resources	19,270	-	3,676,853	3,696,123
Resources expended	(30,429)	-	(3,450,958)	(3,481,387)
Property revaluation	-	130,000	-	130,000
Transfers	(40,000)	-	40,000	-
	<u>185,163</u>	<u>327,500</u>	<u>1,608,283</u>	<u>2,120,946</u>
At 31 March 2018				

**18. Statement of funds (continued)**

	Designated fund	Revaluation reserve	General fund	Total
	£	£	£	£
<b>UNRESTRICTED FUNDS</b>				
At 1 April 2018	185,163	327,500	1,608,283	2,120,946
Incoming resources	2,602	-	4,172,547	4,175,149
Resources expended	(62,322)	-	(4,067,691)	(4,130,013)
Property revaluation	-	-	-	-
Transfers	22,513	-	(22,513)	-
Loss on investments	-	-	(20,018)	(20,018)
<b>At 31 March 2019</b>	<b>147,956</b>	<b>327,500</b>	<b>1,670,608</b>	<b>2,146,064</b>

The designated fund represents funds allocated for the 'Building a Better Groundwork' project – see page 22 and a small amount of general donations (£25k). Transfers during the year relate to donations received during the year earmarked for expenditure in 2019–20.

	Balance at 1 April 2017	Incoming resources	Resources expended	Balance at 31 March 2018
	£	£	£	£
<b>RESTRICTED FUNDS</b>				
<b>Restricted funds comprise performance related grants as follows.</b>				
Tesco Bags of Help	-	20,198,325	(20,198,325)	-
Other programmes	223,537	4,645,533	(4,571,258)	297,812
<b>Total</b>	<b>223,537</b>	<b>24,843,858</b>	<b>(24,769,583)</b>	<b>297,812</b>
	<b>Balance at 1 April 2018</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Balance at 31 March 2019</b>
	£	£	£	£
Tesco Bags of Help	-	23,012,625	(23,012,625)	-
Other programmes	297,812	6,105,152	(6,058,898)	344,066
<b>Total</b>	<b>297,812</b>	<b>29,117,777</b>	<b>(29,071,523)</b>	<b>344,066</b>

Programme funds are only available for expenditure in accordance with the funders' directions.

Restricted funds include the following grants from the National Lottery Community Fund and the National Lottery Heritage Funds.

**18. Statement of funds (continued)**

	<i>Balance at 1 April 2017</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Balance at 31 March 2018</i>
	£	£	£	£
Building Better Opportunities	102,806	721,849	(775,432)	49,223
National Heritage Lottery Fund	-	13,800	(13,800)	-
Total	102,806	735,649	(789,232)	49,223

	<b>Balance at 1 April 2018</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Balance at 31 March 2019</b>
	£	£	£	£
Building Better Opportunities	49,223	1,052,665	(983,636)	118,252
National Heritage Lottery Fund	-	185,325	(182,442)	2,883
Total	49,223	1,237,990	(1,166,078)	121,135

**19. Commitments under operating leases**

As at 31 March 2019, the charity had total commitments under non-cancellable operating leases as set out below.

	<b>2019</b>	2018
	£	£
Year 1	59,845	102,056
Year 2	-	76,542
Year 3	-	-
	<b>59,845</b>	<b>178,598</b>

The charity also had income due as a lessor, under operating leases and licence agreements as set out below.

	<b>2019</b>	2018
	£	£
Year 1	58,329	130,174
Year 2	-	58,329
	<b>58,329</b>	<b>188,503</b>



## 20. Pensions

During the year ended 31 March 2019 Groundwork UK paid contributions into a defined contribution scheme. The total charge to the defined contribution scheme amounted to £195,079 (2018: £178,154). There were no contributions either pre-paid or outstanding at the year-end or the previous year end.

## 21. Related party transactions

At the year-end a balance of £4,000 (2018: £4,000) was owed to Groundwork Trade Association Limited, a wholly owned subsidiary of the company.

## 22. Reconciliation of net income to net cash flow from operating activities

	2019	2018
	£	£
Net income for the reporting period (as per the SOFA)	<b>71,372</b>	289,011
<b>ADJUSTED FOR:</b>		
Net loss/(gains) on investments	<b>20,018</b>	(123,145)
Disposal of fixed asset investments	<b>2</b>	-
Depreciation charge	<b>6,350</b>	13,834
Investment Income	<b>(154,479)</b>	(127,220)
(Increase) in debtors	<b>(505,221)</b>	(1,930,406)
Increase in creditors	<b>1,242,901</b>	2,524,205
Increase in provisions	<b>17,342</b>	(19,652)
Net cash provided by operating activities	<b><u>698,285</u></b>	<u>626,627</u>

## 23. Grants payable

All grants payable relate to institutional grants paid to Groundwork Trusts, delivery partners and community groups. The detailed breakdown of all grant payments is available on request from the charity's principal address.

## 24. Acknowledgements

Groundwork UK would like to thank all its funders. In particular, substantial major contributions were received from the following organisations.

	£
Agility Eco	279,227
Avison Young	11,908
Education & Skills Funding Agency	143,183
Greater London Authority	1,046,364
HS2 Limited	1,865,245
Jones Lang Lasalle Limited	9,097
Learning Through Landscapes	70,534
Locality	5,400
Ministry for Housing, Communities and Local Government	2,728,497
National Health Service	129,051
National Heritage Lottery Fund	97,703
National Lottery Community Fund and ESF Building Better Communities Grant	1,052,665
One Stop Stores	771,756
Royal Society of Wildlife Trusts	290,753
Tesco PLC	25,558,355

## 25. Financial Instruments

Groundwork UK's financial instruments may be analysed as follows.

	2019	2018
	£	£
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through profit and loss	1,997,953	1,992,006
Financial assets that are debt instruments measured at amortised cost	10,241,689	9,684,331
	<u>12,239,642</u>	<u>11,676,337</u>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	12,911,267	11,651,523
Derivative financial instruments designated as hedges of variable interest rate risk	-	-
	<u>12,911,267</u>	<u>11,651,523</u>

Financial assets measured at fair value through profit or loss comprise fixed asset investments in unlisted company shares and current asset investments in a trading portfolio of listed company shares. Financial assets measured at amortised cost comprise cash, trade debtors, other debtors, amounts owed by joint ventures and associated undertakings. Financial liabilities measured at amortised cost comprise convertible loan stock, irredeemable preference shares, bank loans and overdrafts, trade creditors, other creditors and accruals. Information regarding the company's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Directors' report.

# Advisors

## Auditors

### **BDO LLP**

Two Snowhill  
Birmingham  
B4 6GA

## Bankers

### **The Co-operative Bank plc**

PO Box 82  
118–120 Colmore Row  
Birmingham  
B3 3BA

### **HSBC**

114 High Street  
Stourbridge  
West Midlands  
DY8 1DZ

### **Scottish Widows Bank plc**

PO Box 12757  
67 Morrison Street  
Edinburgh  
EH3 8YJ

## Investment Managers

### **Rathbone Investment Management**

8 Finsbury Circus  
London  
EC2M 7AZ

## Property Consultants

### **Savills**

55 Colmore Row  
Birmingham  
B3 2AA

## Solicitors

### **Anthony Collins Solicitors LLP**

134 Edmund Street  
Birmingham  
B3 2ES

# The Board of Trustees

The trustees (who are the directors of the company in accordance with the Companies Act 2006) on the date of approval of this report, or who served as trustees at any time during the year reported on, are as follows.

<b>Appointed trustees</b>	<b>First appointed</b>	<b>Last appointed</b>	<b>Retired/resigned</b>
Stuart Baker	November 2007	AGM 2017	Resigned October 2018
John Bland	March 2018	AGM 2018	
Jenny Bradley	June 2015	AGM 2015	Resigned May 2018
Ian Brown	March 2016	AGM 2016	
June Campbell	September 2014	AGM 2018	
Bryn Davies	December 2013	AGM 2017	Resigned August 2018
Wendy Golland	September 2014	AGM 2017	
Jeff Greenidge	March 2019		
Rowena Hall	March 2019		
Mike Master	September 2008	AGM 2017	
Antony Nelson	March 2019		
Tony Robbs	March 2019		
Paul Roots	March 2019		
Alan Smith	June 2014	AGM 2017	
Helen Wright	March 2019		
<b>Co-opted trustees</b>			
Kate Culverhouse	December 2013	AGM 2017	
Graham Hartley (Chair)	August 2015	AGM 2018	
Geoff Howsego	June 2012	AGM 2018	
Mike Ormerod	June 2018	AGM 2018	

## Company Secretary

Paul Viles

## Committees of the Board

Chairs' Committee	Chair – Graham Hartley
Federation Executive Team	Chair – Mike Ormerod
Groundwork UK Committee	Chair – Geoff Howsego
Audit Committee	Chair – Mike Master

## Chief Executive

Graham Duxbury





## Contact us

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**Twitter:** @groundworkuk

**Facebook:** @groundworkuk

**Instagram:** @groundwork\_uk

**LinkedIn:** Groundwork

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**Charity registration number:** 291558

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**Company registration number:** 1900511

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Groundwork UK is the operating name of the Federation of Groundwork Trusts, a company limited by guarantee.

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