

Annual Report and Financial Statements 2019/20

Groundwork London

(A company limited by guarantee)

18 – 21 Morley Street

London

SE1 7QZ

Registered Charity No. 1121105

Registered Company No. 04212532 (England and Wales)

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Report of the Trustees for the year ending 31 March 2020

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charitable company and its subsidiaries for the year ending 31 March 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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

Groundwork London's operational focus is primarily on London; the City of London and the 32 London Boroughs. Groundwork London is also the sole company member of Groundwork South whose operational focus is on the South East and South West regions of England, and that part of the District of Three Rivers within the Colne Valley Regional Park. Where specialist services are required, these are delivered across both Trust areas by specialist teams.

Both Trusts have a Board of Trustees who are principally responsible for the strategic oversight and governance of Groundwork activities within their operational areas. Each Trust has its own business plan defining the activities it plans to deliver in its area of operation. Each Trust will produce an Annual Report and Financial Statements. This report includes the consolidated financial statements of Groundwork London and its subsidiaries, details of charitable activities within the two operation areas will be described separately within each company's annual report.

Chair's Report

Groundwork enables communities to find practical, long-term solutions for many of the challenges communities in London are facing today. Challenges including: fuel poverty, social isolation, gang activity, difficulty getting into work, pollution and run down, un-safe open spaces. At Groundwork we take a holistic approach to tackling these challenges.

We know that strong communities are built from within which is why people are always at the heart of our work. Last year, in 2019/20, we delivered over 550 projects in many of London's most disadvantaged communities.

We are pleased to present our Annual Report demonstrating how we continue to make a difference to the lives of thousands of Londoners every year and the places they live and work. Our programmes and services are tailored to the needs of the communities we work with and the priorities we share with our local partners. We have three overarching objectives:

- **Creating better places;** projects that empower communities to come together and transform their neighbourhoods into greener, cleaner and healthier places to live.
- **Greener living and working;** projects that offer energy and resource efficiency measures and advice to residents and small businesses.
- **Improving people's prospects;** projects that offer skills and training opportunities for people who are facing significant barriers to employment.

Our success is rooted in the relationships we have and the innovative partnerships we form with local authorities, housing associations, London regional agencies, the private sector and with other voluntary organisations. We would also not be able to do the work we do without the thousands of committed, Londoners who work with us every day. We are grateful and thank them all for sharing our vision for a cleaner, safer, healthier London.

Our enormous thanks and recognition are also due to our hard-working staff, trustees and volunteers for their commitment and passion which enables us to deliver our projects to continue to improve Londoners' lives and the places where they live.

We are a member of the Groundwork Federation and we are proud to support our neighbouring Trust Groundwork South as a wholly owned subsidiary of Groundwork London. Groundwork South has undergone significant change in the last 2 year to ensure the effectiveness and efficiency in its operations whilst continuing to deliver high quality services across the South East and South West of England.

In looking towards the future, we all know that we are in a world of significant change. The impacts of COVID-19 have been immense on us as an organisation and our partners but much more so on the communities we work with. We know that the poorest of our communities have suffered the health impacts of COVID the greatest and are likely to be impacted most by the economic repercussions with rising unemployment and financial hardship. As we develop our new Groundwork London 2025 strategy, we recommit ourselves to the delivery of our charitable objectives, changing places and lives of communities across London.

We thank you all and look forward to working with you.



Alan Smith
Chairman

About Groundwork

Vision

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

Mission

Our mission is to transform lives and places in communities in need.

Our core values:

- equality and diversity - valuing differences and treating everybody and all things with respect
- innovation and learning - always looking for new and better ways of working
- subsidiarity - making decisions at a level as close as possible to the communities we serve
- integrity and professionalism - maintaining high personal and professional standards
- partnership - working alongside communities, public bodies, private companies and other voluntary sector organisations to deliver maximum benefits to people, places and businesses
- sustainability - respecting nature's limits and the needs of future generation

Our Aim

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

- better local environments with people more satisfied with the places where they live and work
- environments more resilient and adapted to changes in climate and increasing demands and impacts of a growing population
- people more empowered to engage in local decision-making and voluntary action to improve local communities
- young people motivated to stay in employment or training; and more opportunities for employment for all
- more people helping the environment and helping themselves through saving energy and water, reuse and recycling

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

Objectives and Activities

Charitable Objectives

Groundwork London's charitable objectives are set down in its Articles of Association, they include:

- to advance public education in environmental matters and other ways of better conserving, protecting and improving the same wheresoever;
- to advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and promote study and research in such subjects;
- to promote the efficiency and effectiveness of charities in the direct furtherance of their objects; And within the area defined as London, the South East and South West regions of England, and that part of the District of Three Rivers within the Colne Valley Regional Park;
- to promote the conservation, protection and improvement of the physical and natural environment
- to provide facilities in the interest of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living or working in or resorting to the area;
- to promote for the public benefit urban and rural regeneration in areas of social and economic deprivation;
- to promote sustainable development for the benefit of the public;
- to promote the efficiency and effectiveness of the voluntary sector for the benefit of the public by the provision of information, support and advice to local community based groups.

Strategic Objectives

To deliver our charitable objectives we:

- Create and deliver programmes and projects to meet the needs of local communities:
 - Improving people's prospects
 - Promoting greener living and working
 - Creating better places
- Build productive relationships and partnerships, influence and shape policies and share learning
- Maintain a strong, viable business, achieving excellence in service delivery

Public Benefit Statement

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

Grant Making Policy

The Trust administers applications for various grants schemes on behalf of partnerships with local authorities and other Public Agencies. The Applications are reviewed against specific criteria and business objectives, which are set out by the grants panels and awarded to constituted groups.

Strategic Report

Working with Groundwork South

Groundwork London is a member of the Groundwork Federation, together we are working locally and nationally to transform lives in the UK's most disadvantaged communities. In 2017 Groundwork London agreed to provide financial support and to become the sole company member of Groundwork South, to enable the Groundwork South Trust to continue to deliver Groundwork services in areas of need.

Groundwork South continues to operate with its own identity, its own geographical focus and with its own Board of trustees as an independent charity and company limited by guarantee. We are proud to support the Trust which has undergone significant change in the last 2 years to ensure the effectiveness and efficiency in its operations whilst continuing to deliver high quality services across the South East and South West of England.

In future years, Groundwork South will continue to operate as an independent Trust, and will benefit from both Trusts working together through executive, finance and support services functions. Groundwork South, does not currently deliver all 'Groundwork services' across its area, in future, highly specialised services will be provided with leadership from Groundwork London whilst delivery will continue to be embedded in local areas; and delivered by the Groundwork South team.

Groundwork South has produced its own annual accounts for 2019/20 and business plan for 2019/20. Their annual report and accounts demonstrate the considerable contribution the Trust is making to Changing Places and Changing lives in the South East and South West of England.

Financial Review

Groundwork London has determined to voluntarily provide a Statement of Financial Activity for 2019/20, as well as the required consolidated accounts for Groundwork London and Groundwork South (as its wholly owned subsidiary) for the same period.

The consolidated statement of financial activities for Groundwork London and for Groundwork South for the year ended 31st March 2020 shows a total income of £24.8m. The consolidated balance sheet shows total Funds of £9.9m of which £4.3m is designated and restricted reserves.

The remainder of this Strategic report focuses on Groundwork London.

Strategic Report

Groundwork London's principal focus is on delivering activity to meet the needs of London and Londoners.

Achievements and Performance

Why Groundwork?

The environmental and social challenges facing the city, as well as its regeneration opportunities are unique in scale and complexity. The difficult economic climate and Government austerity measures continue to have a significant impact on our communities, on local authorities and on our other public and private sector partners.

The Capital's population is 8.9m, 27% are living in poverty (after housing costs) compared to 21% in the rest of the country – it is these Londoners that are a significant focus of our work. Last year we responded by delivering almost 500 projects targeting the most disadvantaged, hardest hit communities.

Our work is delivered in partnership with Local Authorities, Housing Associations, London regional agencies, the private sector and other voluntary organisations.

We have progressed positive working relationships within the London Boroughs of Haringey, Camden, Croydon, Barnet, Brent, Islington, Hammersmith & Fulham, Ealing, Hounslow, Wandsworth, Lambeth, Southwark, Lewisham, Newham, Hackney, Waltham Forest, Enfield, the Royal Boroughs of Kensington & Chelsea, Kingston Upon Thames and Greenwich, and the City of Westminster.

We delivered 77 projects involving Housing Association partners last year, reflecting the needs of residents supported by Housing Associations. We also set out to expand our corporate partnership portfolio, aiming to attract new corporate partners, as well as encouraging ongoing relationships with current partners; we had 113 corporate clients in 2019/20 supporting our work in a large number of ways, and our employee engagement programme continued to grow with corporate donations of £121,000 secured to support local community projects.

We have built on productive relationships with regional bodies; the Greater London Authority (GLA) and the London Legacy Development Corporation, delivering 33 programmes involving regional agencies. As part of our strategic work, we continued to serve on the Cross River Partnership Board, GLA Open Space Commission, the All London Green Grid Steering Group and our Community Interest Company – *Our ParkLife* with Engie, Renaisi and Idverde.

Internally, we delivered a number of business performance and improvement measures. We retained our environmental management standard ISO14001 which we have held since 2008; and maintained our Health & Safety standard CHAS; and Achilles which covers Quality, Health & Safety, Environment and Corporate Social Responsibility. We have also retained our Matrix accreditation in recognition of the advice and guidance we offer our trainees and volunteers; and we have maintained our Volunteer Centre accreditation and Investors in Volunteering accreditation.

We operate our financial management on the basis of full cost recovery achieving our target staff utilisation rate of 84% and maintaining total indirect staff and overheads at 7% of total income.

We continued to make the most of increased revenues from property rental income as a result of letting significant space at our head office, at Morley Street, applying these valuable resources to new programme innovation and development.

Our on-going focus on employing specialist staff to ensure high levels of expertise across all our activities, our strong performance in securing grants and commissions and our continued drive to ensure that business operations are effective and efficient have contributed to our success throughout 2019/20.

We have set out below the headline achievements across our three priority objectives for the year.

Improving people's prospects – *delivering support to increase the confidence, skills, well-being and employability of those furthest removed from the labour market, in particular young people.*

We believe that supporting people into long-term, sustainable work brings them the economic and social stability that can be life changing for individuals and is an important factor contributing to strong and thriving communities. This is why we deliver an extensive portfolio of employment and skills programmes in London. Through these programmes we help hundreds of Londoners every year to grow in confidence, gain new skills and take that step into work. We work with young people, people with disabilities or health conditions, refugees, and many other Londoners who are facing barriers to employment.

In partnership with our private and public sector employers we deliver training and pre-employment programmes designed to increase the confidence, skills and overall employability of Londoner facing the greatest barriers to employment. Our programmes target young people not in education, employment or training (NEET), those at risk of becoming NEET, lone parents, the long term unemployed and ex-offenders. Our employment advisors engaged with 1,700 individuals and delivered 1,300 weeks of formal training to more than 400 people. We supported our clients to gain over 520 qualifications and 550 of them progressed into sustainable employment.

Through 2019/20 we continued to deliver several specialist programmes supporting groups of Londoners who are particularly disadvantaged in the labour market. Our 3 year Elevate programme came to a conclusion in December 2019 and through it we have worked with nearly 300 refugees, supporting them to access housing, legal, health and language support and helping 90 of them into work. Across London, through ACE we have helped nearly 200 adults with disabilities into supported employment. As COVID-19 emerged in the closing weeks of the year, our team worked with the funder to ensure that the jobs of all our ACE clients could be protected.

In East, Central and West London, our DWP funded programmes continue to provide job seeking support to individuals from complex family situations. In South London, we launched new contracts to support young people to progress into training and employment.

In our youth programme we commenced mobilisation of our new National Citizen Service contracts, which from 2020 will make us the biggest provider in London supporting over 4,500 young people. Throughout the year, we built on the 10 year success of our music studio in Peckham. The entire studio was refurbished, we launched a new timetable resulting in 100 new attendees and waiting list. The young people, supported by our staff, recorded, mixed and produced our first studio album.

We continued to focus on jobs in the green economy. We launched an additional Green Team in Westminster and, in total, created a further 25 jobs for young people and adults with disabilities, in horticulture and grounds maintenance. At our REWORK domestic appliance repair workshop we refurbished and sold over 7,000 domestic white goods and 6,000 items of furniture. In total over 450 tonnes of furniture and white goods were diverted from landfill.

We remain committed to supporting and promoting volunteering in London. This year we delivered volunteering brokerage services in RB Kingston Upon Thames, LB Hounslow, LB Barnet and the Team Westminster programme in London Borough of Westminster. We also delivered on the 'Legends of the Forest' ambassadorial volunteering programme as part of the first 'London Borough of Culture 2019' programme with the London Borough of Waltham Forest.

During the year we engaged almost 4,500 people looking to volunteer and supporting over 2,200 organisations to promote and to recruit to their volunteering opportunities.

Promoting greener living & working – helping people and businesses learn more (about their environmental impact and act responsibly to reduce natural resource use and improve their health).

As the cost of living continues to rise in London, fuel poverty continues to affect London's most vulnerable residents, with some GLA modelling showing that it could potentially impact as many as 24% of London households. It is families with young children, the elderly and those with existing health conditions that suffer the most acute effects of this through mental stress, poor health and wellbeing.

Our home energy advisors - *Green Doctors* - visited over 3,800 households in London last year, helping people to reduce their energy bills, improve their health and wellbeing and save energy. With the average annual shortfall that places a household into fuel poverty being £280, the Green Doctor service is helping households on average save £200 per year.

London's water supplies are being stretched further and further each day as the capital's population continues to grow. By 2050, if we keep using water as we are today, we will need an extra 250 million litres a day. One of the solutions is for Londoners to use, and waste, less water.

As part of the Thames Water Efficiency Programme in 2019/20 we visited just under 55,000 homes to provide free practical support and advice to help them reduce the amount of water they use. Often this involves doing small jobs like fitting reduced flow shower heads, fitting aerators to taps, and converting toilets to dual-flush. These small changes have a big impact. During the year we fitted 162,500 water-saving devices, which in addition to tailored water saving advice has helped these households save an average of £180 per year from their combined water and energy bills, collectively saving approximately 4.3 million litres of water per day, every day. And by using less energy to heat water, these households are also saving approximately 36 tonnes of carbon dioxide emissions every day as well.

Our 'Smarter Business Visit' programme to help businesses become 'Water Smart' - supported more than 3,800 businesses across London, carrying out plumbing repairs and water-saving modifications to their premises. These businesses now collectively save approximately 8.6 million litres of water per day, every day.

2019/20 saw the completion of TRiFOCAL, our pan London multi-year partnership project that aimed to reduce food waste, promote healthier sustainable eating and increase the amount of inedible food waste sent for recycling. Our role in the partnership was to lead engagement with schools and communities across Hackney, Lambeth, Merton, Tower Hamlets, Croydon and Bexley, delivering over 70 events during the year. The programme won the EU Sustainability Award for best educational project, and was runner-up in the UK Global Good Awards best education project category.

The community reuse hubs, The Loops, which we set up in 2015 on the Pembury Estate and Grahame Park Estate, as part of the EU LIFE funded REPURPOSE programme continue to thrive. Our teams continue to oversee the collection of unwanted furniture and household appliances from resident's homes which they repair, if necessary, and sell on to residents at low cost, giving new life to hundreds of items that would otherwise have been destined for landfill and helping vulnerable residents in need. The Loops have large volunteer and training programmes, and helped 49 residents train as volunteers and a further 249 learn new skills this year. A further 15 undertook apprenticeships or moved into employment. Last year we collected more than 1,880 items and re-used/sold over 1,290 items. All the money raised from sales is reinvested into the project, to buy workshop equipment, and to provide more local events and free training.

Our REUSE activity resulted in diverting 477 tonnes of waste from landfill, which contributed to an overall saving of over 6,300 tonnes of CO₂ emissions across all our activities.

Creating better places – *supporting people to work collectively to make their surroundings greener, safer and healthier and be actively involved in the way decisions are made about services in their area.*

Last year we worked with communities and funded community groups across London to make improvements to almost 510 hectares of public open spaces, including public parks, playgrounds, housing estates, community gardens, hospital grounds, nature reserves, and many more of London's valuable public open spaces.

We continue to manage the Housing Estate Improvement Programme in the London Borough of Hammersmith & Fulham (LBHF), with five projects receiving £226,000 funding last year to make significant improvements to seven housing estates in the borough.

We have continued to deliver a significant programme of estate-wide sustainable drainage retrofit (funded by the GLA, Thames Water and LBHF) on the White City Estate, enhancing our reputation as a leading deliverer of SUDS retrofit in the capital.

Our work continues delivering the EU Horizon 2020 CLEVER Cities Programme now in its 2nd year. Working with London partners GLA, Peabody and Social Finance, the Groundwork Clever Cities team leads on the co-creation programme of the Making Space for Nature which builds relationships with local stakeholders and provides opportunities for people in Thamesmead to participate in the development of greener and more socially cohesive open space and to celebrate and improve the abundance of natural resources.

Air pollution is increasing the incidence of short and longer term health problems among Londoners, and improving air quality has rightfully become one of the Mayor's key environmental priorities. We have been continuing to develop our expertise in designing landscape solutions that directly mitigate air pollution, air quality awareness programmes in schools and greener walking routes across the capital.

The strong partnerships we have with the private sector enable us to offer significant added value to the communities and public sector partners we work with. Last year 1,020 employees from 57 companies helped improve 41 community open spaces in London, adding £121,000 additional value to our projects. Whether reclaiming urban woodland or creating wildlife ponds in schools, volunteers are guaranteed a fun filled day with their colleagues and a real sense of achievement.

We manage a portfolio of environmental and community grant schemes on behalf of our national and regional partners. Last year in total we supported 575 projects throughout London, awarding over £7.6m to groups in London who used grants to transform forgotten places, plant thousands of trees, increase access to nature and culture, reduce social isolation, tackle hate crime and violent extremism as well as realising hundreds of life changing projects across the capital. These projects engaged with over 30,000 volunteers and participants and unlocked over 10,000 volunteer hours.

In 2019/20 the Mayor of London's Greener City Fund was expanded, in support of London's campaign to be the first National Park City. Last year we awarded £1.3m to 107 new tree-planting and green space projects in the city and over £425,000 to projects aiming to improve air quality around schools. This programme was complimented by the Our Space Award, which provided £105k in micro grants to improve areas that communities live and work, therefore strengthening the sense of ownership over those spaces. Together these programmes resulted in almost 30,000 new trees being planted in the city, helping to reduce air pollution, cooling the city and helping to prevent flooding and 4,022,462m² of greenspace created or improved. We estimate that these trees alone will remove 10 tonnes of air pollution each year and divert over 15 million litres of storm water from London's already stretched drainage system.

In addition, we were appointed to administer a series of European Social Fund grants to community groups to support training and skills development. We also secured expansions to existing programmes, such as the inclusion of walking in our cycling grants programme and additional funding for the Our Space Award. We have continued to build a stronger partnership in grant delivery with the Greater London Authority, and in the 2019/20 year we have administered seven grant programmes on their behalf.

Groundwork continues to administer Tesco's Bags of Help community grants throughout the UK. Last year 372 projects in London were awarded over £868k, improving open spaces and bringing communities together.

Groundwork London Financial Review

Groundwork London has determined to voluntarily provide a Statement of Financial Activity for Groundwork London 2019/20 as well as the required consolidated accounts for Groundwork London and Groundwork South (as its wholly owned subsidiary) for the same period. The financial review of the group is described earlier in this report.

Groundwork London shows income achieved in the year of £20.2m with expenditure of £19.8m.

Principal Funding Sources

Funding for Groundwork London was provided by the following sources:

	£
Local Authorities	2,750,020
Public and Regional Agencies	7,281,964
European Union	1,381,375
Private Sector	7,448,286
National Lottery	1,410,514
	<u>20,272,160</u>

Reserves Policy

The Board of Trustees has agreed a long term aim of holding unrestricted, free reserves equivalent to six months' (180 days) running costs. The Board believes this is a prudent level of reserves for a Charity based in Central London and is in line with other Groundwork Trusts.

The Board has agreed that a reasonable level of reserves is required to:

- absorb short term setbacks such as loss or delays in funding
- finance working capital needs and fund time delays between the expenditure and receipt of funds
- set aside funds for appropriate capital assets such as IT equipment and securing and developing suitable premises

The Board monitor unrestricted reserves on a quarterly basis and the Reserves Policy is reviewed on an annual basis to assess the needs of the organisation.

At the year-end unrestricted reserves shown in the balance sheet covered 185 days (2019: 191 days) running costs. The reserves days includes the consolidation of Groundwork South's accounts into the Groundwork London accounts.

Future Plans 2020/21

In line with our strategy: Groundwork 2020, our ambition is to build our reputation, our visibility and our resource base so that we can continue to be a significant force for changing places and changing lives across London.

We will also ensure that Groundwork activity is sustained and developed across the South of England through our wholly owned subsidiary Groundwork South. Groundwork South will present its own business plan focused on the communities in South East & South West England.

During 2020/21 Groundwork London will work to the following strategic objectives:

1. Creating and delivering programmes and projects across three thematic areas

The value of our offer lies in the strategic combination of all these elements, delivering high quality, innovative actions and being the best at whatever we do is central to all our work. During the year we will progress over 500 projects aimed at:

Improving people's prospects – *delivering support to increase the confidence, skills, wellbeing and employability of those furthest removed from the labour market, in particular young people.*

We will deliver projects that engage, motivate and inspire people:

- Providing coaching and support to young people particularly those at risk of NEET or NEET to stay and succeed in education, to gain accredited qualifications or to progress into work
- Providing coaching to vulnerable young people involved in, or victims of, gang violence. Building their resilience and supporting them into positive activities, education and training
- Running clubs and safe places for young people to develop themselves and their skills
- Encouraging and supporting participation and leadership of positive action for the environment
- Helping young people and adults, including those with long term health conditions and disabilities improve their skills and confidence and move from welfare into sustained employment
- Providing work placements and trials, with integrated training and access to volunteering placements
- Delivering accredited training and skills development programmes

Creating better places – *supporting people to work collectively to make their surroundings greener, safer and healthier and be actively involved in the way decisions are made about services in their area.*

We will develop and deliver programmes that focus on:

- Building empowered, engaged and resilient communities
- Supporting community led and co-designed improvements to spaces and neighbourhood environments
- Engaging communities in the effective management and maintenance of green and open spaces
- Enhancing communities' and individuals' health and wellbeing
- Lifelong learning and citizenship within an educational environment
- Building resilience, confidence and wellbeing in vulnerable and isolated adults, elderly & young people
- Providing sporting, healthy lifestyle and cultural activities
- Promoting and conserving the natural environment and enhancing access to London's nature and heritage
- Inspiring and promoting volunteering including brokerage services and corporate volunteering
- Supporting the private sector to engage with and support the communities local to them

We will continue integrating landscape design and community development delivering urban environments that meet the needs of local communities we will focus on:

- Improving housing landscapes, parks and open space improvements, play and recreation areas and finding new uses for temporary underused space
- Retrofitting green infrastructure in support of flood risk management, climate change adaptation and air quality improvements

- Sharing learning and developing expertise in sustainable landscape management
- Managing open grant schemes funded by the Greater London Authority, Transport for London, European Social Fund and private sector partners
- Providing grant 'enabler' support for community groups bidding to Tesco's 'Bag of Help' Community Grant Scheme, and on the new HS2 grant programmes managed by Groundwork UK
- Providing geospatial and data services to enable Groundwork and our clients to understand, visualise and measure impacts

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

- Behaviour change, helping people adopt more sustainable lifestyles
- Tackling climate change and other environmental issues
- Encouraging and supporting young people to participate in positive environmental action
- Reducing environmental impact through waste management, reuse, upcycling and recycling
- Providing advice and guidance on energy and water efficiency to residents, organisations and businesses
- Tackling causes and effects of air pollution and air quality
- Developing a carbon offset offer to businesses to support domestic and community carbon saving
- Providing advice, guidance and practical solutions for Corporate Social Responsibility and Social Value

2. Building productive relationships and partnerships, influence and shape policies and share learning

The success of our work is reliant on building long-term, cross sector alliances to develop collaborative business opportunities and by adding value to local and regional strategic partnerships. We will focus on:

- Developing and expanding our associations with the London Boroughs and the Housing sector
- Exploring and creating new programme activities with the GLA and TfL, London Councils, and the London Strategic Waste Authorities, Health commissioners and providers and academic institutions
- Develop new services for residents and businesses with utilities companies and expanding our work with the corporate sector
- Provide management and Board support to Cross River Partnership, London Community Resource Network and Our Park Life
- Working with the voluntary sector and other community support organisations
- Working with the members of the Groundwork Federation on business development, peer support and the future development of the Federation

3. Maintaining a strong, viable business, achieving excellence in service delivery

The performance of our business will be driven by increasing the quality, consistency and efficiency of our operations through investments in staff training and development, and specialist skills; by developing our ability to secure income from diverse sources; and targeting communications & marketing to key sectors and audiences.

We will:

- Continue to measure the quality of our delivery and the impact we make
- Diversify our income and make best use of our property, IT and treasury resources
- Attract, develop and support highly skilled and motivated teams
- Deliver communications to raise the profile of the organisation and internal communications, helping to build one strong, cohesive staff team in London

We will also support Groundwork South to sustain and develop Groundwork activity across the South of England. We will do this via financial support in the form of loans and through leadership and management of defined specialist activities.

Principal Risks and Uncertainties

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

The Trust undertakes an annual review of risk, the principle risks identified during the business planning process are set out below. However the beginning of 2020, saw the major world impacting event of COVID-19. Alongside our routine management activities, a detailed assessment of the risks faced specifically in relation to COVID-19 have been undertaken. Whilst the impact of COVID-19 may be unpredictable we have and will continue undertake the following measures:

We will:

- Continue to follow and adjust to government guidelines to ensure the health and safety of our staff and all participants.
- Continue to regularly review and communicate COVID secure measures in organisational and project risk assessments. Working to minimise the risks to our staff, service users and operations.
- Continue to develop and adopt COVID-19 policies and procedures the support our staff and organisation.
- Undertake regular reviews of all contracts to ensure ongoing service delivery and to implement adjustments to ensure agreed outputs and outcomes are met
- Implement changes to our structure and operations as required to ensure the Charity can continue to deliver its charitable objectives
- Hold additional Board meetings as required to ensure ongoing and regular decision making where required

In addition to COVID-19 the principal risks to Groundwork London are:

- Failure to secure funding for the projected Operations Plans
- Inability of the organisation to meet its utilisation targets or chargeable rates
- Failure to deliver targets in 'payment by results' contracts
- Poor performance and partner dissatisfaction with the quality of delivery
- Operational, reputational and financial issues arising from Groundwork South
- Loss of large contracts

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

- Continued emphasis on demonstrating the value and benefits of Groundwork's services
- Expanding our offer to existing and new partnerships with local authorities, housing associations and the private sector
- Prioritising and consolidating development, marketing and communications to grow our visibility and broaden our access to new income sources
- Increasing our competencies and professionalism to meet the growing demands of commissioning, audit and evaluation
- Expanding our fundraising capacity and build stronger relationships with our key charitable trusts, foundations and lottery funders
- Ongoing review of our structures and investing in specialist skills to drive up quality across all our services
- Monitoring delivery and financial performance
- Effective establishment, implementation and review of internal processes and procedures

- Financial planning to ensure Trust not reliant on resources funded by larger programmes
- Preparing actions plans to mobilise change processes arising from changes or loss of major contracts
- Providing training and support to improve project and performance management and client focus skills to ensure projects are delivering required outcomes, on time and to budget
- Engaging with Groundwork South and the Federation to provide support to business management and development and specialist delivery services

Financial management of projects is controlled using PIMS (Project Information Management System). The Trust has strong skills within the staff teams in its effective use. Expenditure is only made on projects once income has been secured. The amount of secured and unsecured income and the expenditure and revenue on all projects is analysed on a monthly basis. Detailed management information is imported from the system to provide up to date financial and operational performance against targets.

The Executive Team reviews, on a monthly basis, income and contribution secured against business plan, team capacity and project performance together with other business information. These are also reported to the staff teams at monthly Operations and Development meetings and on a quarterly basis to the Board, to focus Trust attention on achieving Business Plan targets.

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

Financial Instruments

Groundwork London's financial risk management objective is broadly to seek not to make losses from exposure to any interest rate or currency fluctuations. In the year 2019/20 we have had no exposure to these fluctuations. Our policy has been to finance fixed assets through retained reserves. Other than bank charges, no interest is payable on our bank accounts.

Reference and Administrative Details

Registered Company number
04212532 (England and Wales)

Registered Charity number
1121105

Registered office of the company and principal office of the charity
18-21 Morley Street, London, SE1 7QZ

Our advisers

Auditors	Hartley Fowler	4 th Floor, Tuition House, 27/37 St George's Road, London, SW19 4EU
Bankers	Lloyds	Blackheath Branch, PO Box 1000, BX1 1LT
Solicitors	Bates, Wells & Braithwaite	61 Charterhouse Street, London EC1M 6HA

Key management personnel: Directors and Trustees

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

Co-opted	Alan Smith (Chair 1/4/14)	appointed	20/02/2012
	John Smith	appointed	24/05/2010
	Graham Beal	appointed	10/03/2014
	Dan Davidson	appointed	08/05/2014
	Phil Stokes	appointed	17/07/2014
	Keith Taylor	appointed	20/03/2017
	Sophie Taysom	appointed	20/04/2020

Groundwork UK nominee	Marilyn Baxter	appointed	20/03/2017
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Local Authority nominee	Susan Wise	appointed	01/06/2015
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Company Secretary	Stuart Harrison
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Key management personnel: Senior Managers

Executive Director	Lindy Kelly
Director, Finance & Corporate Services	Stuart Harrison
Director, Communities & Environmental Services	Ben Coles
Director, Youth, Employment & Skills	Graham Parry

Structure, Governance and Management

Structure

Groundwork London is a registered charity and company limited by guarantee and is governed by its Articles of Association. Groundwork London was registered as a limited company on 8th May 2001 under the name Groundwork London Partnership and changed its name by Special Resolution to Groundwork London on 10th September 2007. On 1st November 2007 Groundwork London merged with Groundwork Southwark & Lambeth, Groundwork South East London and Groundwork Merton. On 1st April 2008 Groundwork London merged with Groundwork West London and incorporated the London activities of Groundwork Federation (non-legal incorporation). Groundwork North and Groundwork East London transferred as mergers on 1st April 2009.

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

Groundwork London became the sole company member of The Groundwork South Trust Ltd on the 14th March 2017. Groundwork South continues to operate as an independent company with its own Board.

The Members of Groundwork London

The company members are the Federation of Groundwork Trusts, Dan Davidson, Eugenie White, Alan Smith, Cate Newnes-Smith and Susan Wise.

Governance

As Groundwork London has evolved so has our Governance ensuring that it is both relevant and effective as well as being resilient to future changes in our operating environment.

Board of Trustees

The Governing body of the Trust is the Board of Trustees. The Board is responsible for major strategic decisions and has ultimate responsibility for the conduct and financial viability of the organisation, it meets formally four times a year. The Board comprises of not more than 15 Directors of whom not more than 6 are either nominated or appointed and 9 co-opted Trustees:

- 4 appointed Local Authority members, elected from the Local Authority Strategic Input Board
- 2 Groundwork Federation nominees
- 9 co-opted members

Trustees generally serve terms of between 12 months and 3 years and can be reappointed by the Board. The Board has an agreed strategy to enable Board succession to occur on a rolling basis. The Board began a new recruitment process to fill vacancies and to meet its identified diversity needs. New Board members are expected to join later in 2020.

Committees

The Board has established a number of committees:

- Finance & Audit Committee is responsible for reviewing the overall status of financial and investment resources and for making appropriate recommendations to the Board. It meets four times a year.
- The Executive Recruitment & Remuneration Committee assists the Board in the appointment of the Executive Director and to support the Executive Director in the appointment of Directors and to consider and approve their remuneration. The Remuneration Committee meets once per year.
- Local Authority Members Board enables Local Authorities to shape the strategic direction of Groundwork within London boroughs, to keep their LA's informed about the breadth of Groundwork London's expertise and appoint, via an electoral process, members to the Groundwork London Board. It was planned to review and rejuvenate the LA Members Board in last year, this will now be undertaken in 2020/21.

Induction & Training

New members of the Board of Trustees are provided with the Groundwork London Governance handbook and other key documents and have an induction meeting with the Executive Director. The induction includes an overview of the objects of Groundwork London and its Vision and Mission, the structure, its staff and volunteers and finance. Trustees are also encouraged and supported in visiting projects.

Community Interest Company – *Our Parklife*

Our Parklife was formally constituted in September 2014 by company members; Engie UK (previously known as Cofely Workplace Ltd prior to name change); Groundwork London; Renaisi and Idverde (previously known as The Landscape Group prior to acquisition). Engie UK appoint two members to the Board and all other members appoint one Director. Groundwork London's appointed Director is Graham Parry (Director, Youth, Employment & Skills).

The objects of the Company are to carry on activities which benefit the community and in particular (without limitation) to promote the social, economic and environmental well-being of residents in the boroughs immediately surrounding the Queen Elizabeth Olympic Park in Stratford by providing opportunities in the Park:

- for employment and training; improving skills and knowledge; and encouraging entrepreneurship, innovation and business skills;
- within the operations of the Members across London for employment and training and improving skills and knowledge;
- for new and existing residents to meet and mix to promote cohesion and inclusion; and
- for local people to volunteer, to learn about environmental sustainability and to undertake initiatives in their own neighbourhoods and provide educational opportunities for schools and young people.

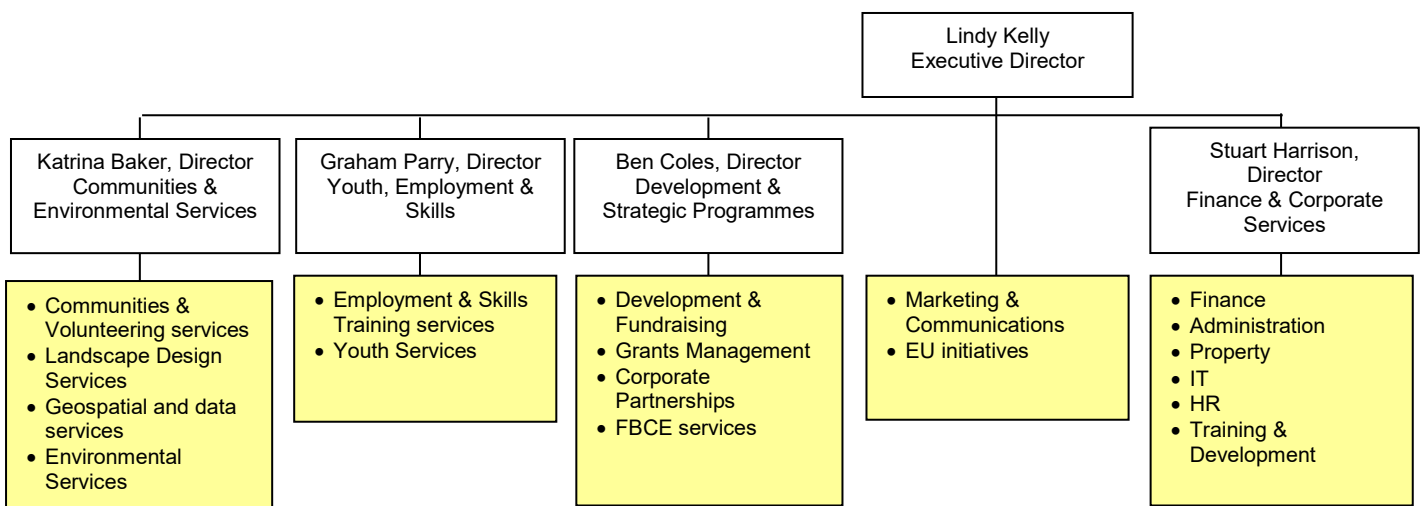
Management

The Board delegates day-to-day financial and managerial control of the organisation to the Executive Director. The Executive Director, together with the Executive Team, meets monthly to discuss the operational and financial status of the Trust.

Groundwork London’s professional team continues to evolve in response to changes to our organisational structure and changes to the scale of the activities across each of our thematic areas and the needs of our business operational requirements. The framework within which our teams are organised are guided by the following principles:

- We must remain embedded in the local community, with local delivery at the core of what we do
- We must be able to operate a seamless, consistent and high quality delivery service across London
- We need to be a credible local and regional partner able to operate at a strategic level
- We must be a strong and viable organisation

Projects and programmes continue to be delivered by local teams, with management organised through area management structures and specialist service. At the end of the 2019/20 we had 270 FTE employees.



Trustees' responsibilities in relation to the financial statements

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

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.


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

Statement as to disclosure to our auditors

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

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

By order of the board of trustees



Trustee

Date: 23rd September 2020

Independent Auditor's Report

to the members of Groundwork London

Opinion

We have audited the financial statements of Groundwork London (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 group's and the parent charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report, including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the trustees' annual report, including the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic 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 parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

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

Use of our report

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

Jonathan Askew, FCA (Senior Statutory auditor)
for and on behalf of Hartley Fowler LLP
Statutory Auditor
Chartered Accountants
Fourth Floor, Tuition House
27/37 St George's Road
London
SW19 4EU

Groundwork London

(A company limited by guarantee)

Registered Number: 04212532

Consolidated Statement of Financial Activities for the year ended 31st March 2020, incorporating the Income and Expenditure account

		Unrestricted Funds	Restricted Funds	31.3.20 Total Funds	31.3.19 Total Funds As restated (see note 32)
	Notes	£	£	£	£
INCOME					
Investment income	3	403,845	-	403,845	416,403
Income from charitable activities	4	18,341,532	6,042,432	24,383,964	19,634,826
Total Income		<u>18,745,377</u>	<u>6,042,432</u>	<u>24,787,809</u>	<u>20,051,229</u>
EXPENDITURE					
Cost of raising funds	5	308,521	-	308,521	280,897
Charitable activities	6	17,981,083	5,939,728	23,920,811	19,382,934
Total expenditure		<u>18,289,604</u>	<u>5,939,728</u>	<u>24,229,332</u>	<u>19,663,831</u>
Net income before gains/ (losses) on investments		455,773	102,704	558,477	387,398
Net (losses)/ gains on investment properties	14	-	(19,559)	(19,559)	(19,559)
Net gains / (losses) on cash investments	18	(195,403)	-	(195,403)	139,404
Net income		<u>260,370</u>	<u>83,145</u>	<u>343,515</u>	<u>507,243</u>
Transfers between funds	23	107,704	(107,704)	-	-
Net movement in funds		<u>368,074</u>	<u>(24,559)</u>	<u>343,515</u>	<u>507,243</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>8,427,394</u>	<u>1,171,322</u>	<u>9,598,716</u>	<u>9,091,473</u>
TOTAL FUNDS CARRIED FORWARD	23	<u><u>8,795,468</u></u>	<u><u>1,146,763</u></u>	<u><u>9,942,231</u></u>	<u><u>9,598,716</u></u>

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

The notes on pages 31 to 54 form part of these financial statements.

Groundwork London

(A company limited by guarantee)

Registered Number: 04212532

Charity Statement of Financial Activities for the year ended 31st March 2020, incorporating the Income and Expenditure account

	Notes	Unrestricted Funds £	Restricted Funds £	31.3.20 Total Funds £	31.3.19 Total Funds £ As restated (see note 32)
INCOME					
Investment income	3	443,921	-	443,921	464,026
Income from charitable activities	4	16,343,526	3,484,713	19,828,239	14,982,930
Total Income		<u>16,787,447</u>	<u>3,484,713</u>	<u>20,272,160</u>	<u>15,446,956</u>
EXPENDITURE					
Cost of raising funds	5	308,521	-	308,521	280,897
Charitable activities	6	16,064,851	3,419,848	19,484,699	14,755,777
Total expenditure		<u>16,373,372</u>	<u>3,419,848</u>	<u>19,793,220</u>	<u>15,036,674</u>
Net income before gains/ (losses) on investments		414,075	64,865	478,940	410,282
Net (losses)/ gains on investment properties	14	-	(19,559)	(19,559)	(19,559)
Net gains / (losses) on cash investments	18	(195,403)	-	(195,403)	139,404
Net income		<u>218,672</u>	<u>45,306</u>	<u>263,978</u>	<u>530,127</u>
Transfers between funds	23	69,865	(69,865)	-	-
Net movement in funds		<u>288,537</u>	<u>(24,559)</u>	<u>263,978</u>	<u>530,127</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>8,991,568</u>	<u>1,171,322</u>	<u>10,162,890</u>	<u>9,632,763</u>
TOTAL FUNDS CARRIED FORWARD	23	<u>9,280,105</u>	<u>1,146,763</u>	<u>10,426,868</u>	<u>10,162,890</u>

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

The notes on pages 31 to 54 form part of these financial statements.

Groundwork London

(A company limited by guarantee)

Registered Number: 04212532

Consolidated Balance Sheet as at 31st March 2020

		31.3.20	31.3.19
	Notes	£	£ As restated (see note 32)
FIXED ASSETS			
Tangible assets	12	2,397,954	2,420,509
Intangible assets	13	8,054	21,943
Investment properties	14	<u>2,766,764</u>	<u>2,786,323</u>
TOTAL FIXED ASSETS		5,172,772	5,228,775
CURRENT ASSETS			
Debtors	17	7,774,334	5,816,995
Current asset investments	18	2,742,780	2,938,183
Cash at bank		<u>2,422,813</u>	<u>2,059,939</u>
TOTAL CURRENT ASSETS		12,939,927	10,815,117
LIABILITIES			
Creditors falling due within one year	19	(8,170,468)	(6,445,176)
NET CURRENT ASSETS		4,769,459	4,369,941
TOTAL ASSETS LESS CURRENT LIABILITIES		9,942,231	9,598,716
NET ASSETS		9,942,231	9,598,716
THE FUNDS OF THE GROUP			
	23		
General funds		5,632,327	5,058,850
Designated funds		2,145,361	2,155,361
Fair value reserve		1,017,780	1,213,183
Restricted revaluation fund		659,540	679,099
Restricted property fund		<u>679,099</u>	<u>492,223</u>
TOTAL GROUP FUNDS		9,942,231	9,598,716

The financial statements were approved by the Board of Trustees on behalf by:



Trustee

and were signed on its

The notes on pages 31 to 54 form part of these financial statements

Groundwork London

(A company limited by guarantee)

Registered Number: 04212532

Charity Balance Sheet as at 31st March 2020

	Notes	31.3.20 £	31.3.19 £ As restated (see note 32)
FIXED ASSETS			
Tangible assets	12	1,351,219	1,340,451
Investment properties	14	2,766,764	2,786,323
TOTAL FIXED ASSETS		4,117,983	4,126,774
NON CURRENT ASSETS			
	16	365,948	1,275,948
CURRENT ASSETS			
Debtors	17	7,630,014	5,083,181
Current assets investments	18	2,742,780	2,938,183
Cash at bank		2,222,751	1,845,287
TOTAL CURRENT ASSETS		12,595,545	9,866,651
LIABILITIES			
Creditors falling due within one year	19	(6,652,608)	(5,106,483)
NET CURRENT ASSETS		5,942,937	4,760,168
TOTAL ASSETS LESS CURRENT LIABILITIES		10,426,868	10,162,890
NET ASSETS		10,426,868	10,162,890
THE FUNDS OF THE CHARITY			
	23		
Unrestricted funds		6,116,964	5,623,024
Designated funds		2,145,361	2,155,361
Fair value reserve		1,017,780	1,213,183
Restricted revaluation fund		659,540	679,099
Restricted property fund		487,223	492,223
TOTAL CHARITY FUNDS		10,426,868	10,162,890

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



Trustee

The notes on pages 31 to 54 form part of these financial statements

Groundwork London

(A company limited by guarantee)

Registered Number: 04212532

Consolidated Statement of Cash Flows for the year ended 31st March 2020

		31.3.20	31.3.19
			As restated
			(see note 32f)
	Notes	£	£
Cash flows from operating activities	25	<u>71,174</u>	<u>(657,180)</u>
Cash flow from investing activities			
Investment income received		403,845	416,403
Purchase of fixed assets		<u>(112,145)</u>	<u>(67,727)</u>
Net cash used in investing activities		<u>291,700</u>	<u>348,676</u>
Net Increase/(decrease) in cash and cash equivalents		362,874	(308,504)
Cash and cash equivalents at the beginning of the year		2,059,939	2,368,443
Cash and cash equivalents at the end of the year		<u><u>2,422,813</u></u>	<u><u>2,059,939</u></u>

The notes on pages 31 to 54 form part of these financial statements

Groundwork London

(A company limited by guarantee)

Registered Number: 04212532

Charity Statement of Cash Flows for the year ended 31st March 2020

		31.3.20	31.3.19
	Notes	£	£
Cash flows from operating activities	25	<u>(870,112)</u>	<u>(653,235)</u>
Cash flow from investing activities			
Investment income received		443,921	464,026
Cash inflows from new investments		(200,000)	(1,104,000)
Cash outflows from new investments		1,110,000	1,085,700
Purchase of fixed assets		<u>(106,345)</u>	<u>(66,017)</u>
Net cash used in investing activities		<u>1,247,576</u>	<u>379,709</u>
Net Increase/(decrease) in cash and cash equivalents		377,464	(273,526)
Cash and cash equivalents at the beginning of the year		1,845,287	2,118,813
Cash and cash equivalents at the end of the year		<u><u>2,222,751</u></u>	<u><u>1,845,287</u></u>

The notes on pages 31 to 54 form part of these financial statements

Groundwork London

(A company limited by guarantee)

Registered Number: 04212532

Notes to the financial statements for the year ended 31st March 2020

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation and assessment of going concern

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

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

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. With respect to the next reporting period, 2020-21, the most significant areas of uncertainty are the impacts of Brexit on Government, Local Authority funding commitments and the impact of Covid-19.

b) Prior year adjustments

In accordance with Section 17 of FRS102, and effective for accounting periods beginning after 1st January 2019 prior year accounts have been adjusted to split the investment element of the Charity's Morley Street office into fixed assets (note 12) and investment properties (note 14).

Prior year accounts have been adjusted to transfer investment gains and losses to a fair value reserve (note 32h).

Prior year accounts have also been adjusted to remove inter-company interest payments from the group accounts (note 3).

c) Estimates and judgements

The investment property valuations referred to in note 14 are based on the professional opinion of fair value from a qualified chartered surveyor.

d) Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Grants receivable, where related to performance are accounted for as the charity earns the right to consideration by its performance. Where income is received in advance, recognition is deferred and included in creditors and where entitlement arises before income is received the income is accrued.

e) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

f) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs. These costs are allocated to projects based on the ration of project time incurred.

g) Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Items over £2,000 are capitalised.

Long leasehold	-over the term of the lease
Buildings	-2% per annum
Fixtures and fittings	-at varying rates on cost
Motor vehicles	-at varying rates on cost
Computer equipment	-at varying rates on cost

h) Intangible fixed assets

Amortisation is provided at the following rates:

Software	- 20% straight line
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i) Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

j) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

k) Taxation and VAT

The charity is exempt from corporation tax on its charitable activities. The company is registered for VAT and all resources expended are inclusive of irrecoverable VAT. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

l) Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the note 20 to the financial statements.

m) Hire purchase and leasing commitments

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

n) Consolidation

The financial statements consolidate the results of the charitable company and its wholly owned subsidiary, The Groundwork South Trust Ltd, on a line-by-line basis. A separate Statement of Financial Activities and

Income and Expenditure Account for the charitable company has also been presented. The charitable company also has two dormant subsidiaries as set out in the notes to the accounts.

o) Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The company pays fixed contributions, charged to the statement of financial activities in the period to which they relate. The charity contribution is restricted to the contributions disclosed in note 11.

The money purchase plan is managed by AEGON and the plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan.

The Trust has no liability beyond making its contributions and paying across the deductions for the employee's contributions. A similar defined contribution scheme is operated by the subsidiary company, The Groundwork South Trust Ltd.

p) Debtors

Trade and other debtors are recognised at the settlement amount due. No discounts are offered. Prepayments are valued at the amount prepaid

q) Cash at bank and in hand

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

r) Investment policy

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust aims to have a portfolio of Financial Investments consistent with a "Balanced Portfolio" profile of risk, return, and liquidity, as identified in an externally conducted assessment of attitude to risk of the trustees when investing the Trust's assets. In order to achieve this it will select Investment Managers which are able to make informed and timely asset allocation decisions consistent with the objectives of this Investment Policy and which may include Government and Corporate Bonds (UK and Overseas), UK and overseas Equities, Property, Gold and other commodities (excluding coal) and cash.

The Trust aims to utilise returns from financial investments for its day to day operations.

The Trust wishes to keep at least 40% of total assets in investments which can be realised within three months.

A minimum of 10% of total assets should be capable of being liquidated within 7 working days.

The Trust will not invest directly in any organisation whose main business activity is:

- The production of tobacco or narcotics
- The production of pornographic material
- The manufacture of weapons of war
- Encouraging or enabling gambling
- Providing Home Credit (Doorstep Lending)
- Using child labour or other exploitative employment practices

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

s) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the

obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts available.

2. LEGAL STATUS

Groundwork London is a company limited by guarantee and has no share capital. The registered office and principal place of business is 18-21 Morley Street, London, SE1 7QZ. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. INVESTMENT INCOME

	Charity	
	31.3.20	31.3.19
	£	£
Rents received	285,669	285,683
Bank and investment interest	158,252	178,343
	<u>443,921</u>	<u>464,026</u>
	Group	
	As restated	
	(note 32a)	
	31.3.20	31.3.19
	£	£
Rents received	285,669	285,683
Bank and investment interest	118,176	130,720
	<u>403,845</u>	<u>416,403</u>

Investment income includes income received for the leasing out of business units at Artichoke Mews, a public house adjacent to Denmark Hill railway station, income received for leasing out space at Morley Street and Lower Clapton Road, deposit interest received, income from Trust current investments and interest on loans from group undertakings.

The figure for bank and investment interest in 2019 has been adjusted by £47,623 from the published accounts as inter-company loan interest had not been removed in the consolidation exercise (see note 32a).

4. INCOME FROM CHARITABLE ACTIVITIES

	Charity			
Income was received for:	Unrestricted funds	Restricted funds	31.3.20	31.3.19
	£	£	£	£
Communities and Environmental Service	7,281,726	778,820	8,060,546	7,977,616
Landscape Design Services	4,664,692	131,190	4,795,882	840,736
Youth, Employment & Skills Training	3,206,240	1,163,029	4,369,269	3,778,460
Strategic Partnerships & Programmes	1,190,868	1,411,674	2,602,542	2,386,118
	<u>16,343,526</u>	<u>3,484,713</u>	<u>19,828,239</u>	<u>14,982,930</u>
	Group			
Income was received for:	Unrestricted funds	Restricted funds	31.3.20	31.3.19
	£	£	£	£
Communities and Environmental Service	9,104,017	1,651,934	10,755,951	11,000,395
Landscape Design Services	5,033,972	682,069	5,716,041	1,852,279
Youth, Employment & Skills Training	3,012,675	2,296,755	5,309,430	4,396,034
Strategic Partnerships & Programmes	1,190,868	1,411,674	2,602,542	2,386,118
	<u>18,341,532</u>	<u>6,042,432</u>	<u>24,383,964</u>	<u>19,634,826</u>

4. INCOME FROM CHARITABLE ACTIVITIES (cont'd)

Income was provided by:	Charity	
	31.3.20	31.3.19
	£	£
Local Authorities	2,750,020	2,540,768
Public and Regional Agencies	7,281,964	3,862,472
European Union	1,381,375	1,413,186
Private Sector	7,004,366	5,722,947
National Lottery	1,410,514	1,443,557
	<u>19,828,239</u>	<u>14,982,930</u>

	Group	
	31.3.20	31.3.19
	£	£
Local Authorities	4,719,480	4,666,796
Public and Regional Agencies	7,468,888	4,353,040
European Union	1,381,375	1,413,186
Private Sector	8,772,991	7,465,958
National Lottery	2,041,229	1,735,846
	<u>24,383,964</u>	<u>19,634,826</u>

Income arose from:	Charity	
	31.3.20	31.3.19
	£	£
Sale of goods	401,798	444,427
Rendering of services	11,711,816	9,905,020
Grants	5,737,190	3,337,999
Government grants – employment programmes	1,977,434	1,295,484
	<u>19,828,239</u>	<u>14,982,930</u>

	Group	
	31.3.20	31.3.19
	£	£
Sale of goods	401,798	444,427
Rendering of services	16,252,918	14,542,293
Grants	5,751,813	3,352,622
Government grants – employment programmes	1,977,434	1,295,484
	<u>24,383,964</u>	<u>19,634,826</u>

5. COSTS OF RAISING FUNDS

	Charity and Group	
	31.3.20	31.3.19
	£	£
Other operating leases	93,276	78,266
Administrative expenses	215,245	202,631
	<u>308,521</u>	<u>280,897</u>

Administrative costs relate to the management of business units at Artichoke Mews and a public house adjacent to Denmark Hill railway station, offices at Morley Street and rental space at Lower Clapton Road.

6. CHARITABLE ACTIVITIES COSTS

	Direct costs	Governance and support costs (see note 7)	31.3.20	Charity 31.3.19 As restated (see note 32b)
	£	£	£	£
Communities and Environmental Services	6,924,926	881,651	7,806,580	8,015,562
Landscape Design Services	4,525,434	89,421	4,614,854	774,567
Youth, Employment & Skills Training	3,985,798	485,672	4,471,470	3,598,909
Strategic Partnerships & Programmes	2,572,705	19,090	2,591,795	2,366,739
	<u>18,008,867</u>	<u>1,475,832</u>	<u>19,484,699</u>	<u>14,755,777</u>

In 2020 the expenditure on charitable activities was £19,484,699 (2019: £14,755,777) of which £16,064,851 (2019: £11,683,465 was expenditure from unrestricted funds and £3,419,848 (2019: £3,072,312 was expenditure from restricted funds).

Annual depreciation for the investment part of the building (£10,000) has been adjusted in financial years 2019, 2018 and 2017. This adjustment affects both the Charity and Group accounts below.

	Direct costs	Governance and support costs (see note 7)	31.3.20	Group 31.3.19 As restated (see note 32b)
	£	£	£	£
Communities and Environmental Services	9,109,150	1,169,392	10,278,540	11,007,327
Landscape Design Services	5,743,072	213,141	5,956,213	1,790,006
Youth, Employment & Skills Training	4,568,973	525,290	5,094,263	4,218,862
Strategic Partnerships & Programmes	2,572,705	19,090	2,591,795	2,366,739
	<u>21,993,900</u>	<u>1,926,913</u>	<u>23,920,811</u>	<u>19,382,934</u>

Interest on the loans between group undertakings had not been removed in the consolidation exercise in the published accounts. Interest has been adjusted in 2019 (£47,623), 2018 (£23,329). This adjustment only affects the Group accounts.

In 2020 the expenditure on charitable activities was £23,920,811 (2019: £19,382,934) of which £17,981,083 (2019: £12,167,098 was expenditure from unrestricted funds and £5,939,728 (2019: £7,215,836 was expenditure from restricted funds).

7. GOVERNANCE AND SUPPORT COSTS

The Trust identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs, together with the governance costs are apportioned between the thematic programme areas in the year. The costs are allocated by staff time. The breakdown of costs are as follows:

7. GOVERNANCE AND SUPPORT COSTS – cont'd

Cost type				Charity
	Support costs	Governance costs	Total 2020	Total 2019 As restated (see note 32c)
	£	£	£	£
Staff costs	909,662	26,299	935,961	823,716
Office and other costs	500,216	39,655	539,871	499,374
Total costs	<u>1,409,878</u>	<u>65,954</u>	<u>1,475,832</u>	<u>1,323,090</u>

Annual depreciation for the investment part of the building (£10,000) has been adjusted in financial years 2017, 2018 and 2019. This adjustment affects both the Charity and Group accounts below.

Cost type				Group
	Support costs	Governance costs	Total 2020	Total 2019 As restated (see note 32c)
	£	£	£	£
Staff costs	1,074,804	26,299	1,101,103	1,088,289
Office and other costs	778,655	47,155	825,810	718,434
Total costs	<u>1,853,459</u>	<u>73,454</u>	<u>1,926,913</u>	<u>1,806,723</u>

Interest on the loans between group undertakings had not been removed in the consolidation exercise. Interest has been adjusted in 2019 (£47,623), and 2018 (£23,329). This adjustment only affects the Group accounts.

8. GOVERNANCE COSTS

	Group	
	31.3.20	31.3.19
	£	£
Staff costs	26,299	25,909
Legal fees	24,655	14,331
Auditor's remuneration	22,500	27,445
Total costs	<u>73,454</u>	<u>67,685</u>

9. NET INCOMING/ (OUTGOING) RESOURCES

Net resources are stated after charging

	Charity	
	31.3.20	31.3.19 As restated
	£	£
Auditors' remuneration – audit services	15,000	15,000
Depreciation – owned assets	95,577	76,194
Operating lease payments	<u>144,503</u>	<u>139,621</u>

9. NET INCOMING/ (OUTGOING) RESOURCES –cont'd

	Group	
	31.3.20	31.3.19
		As restated
	£	£
Auditors' remuneration – Groundwork London	15,000	15,000
Auditor's remuneration – Groundwork South	7,500	12,445
Depreciation – owned assets	134,700	132,012
Amortisation of intangible fixed assets	13,889	13,889
Operating lease payments	<u>223,634</u>	<u>255,271</u>

Depreciation – owned assets for 31.3.19 has been reduced by £10,000 in both the Charity and Group accounts as a result of the annual depreciation adjustment for the investment element of Morley Street which has been transferred to investment properties (see note 32e)

10. TRUSTEES' REMUNERATION AND BENEFITS

No payments or remuneration were made to the Trustees during this year or the previous year. Reimbursement of trustee expenses incurred was £nil (2019: £nil).

11. STAFF COSTS

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

	Charity	
	31.3.20	31.3.19
Direct charitable	243	227
Fundraising	7	6
Governance	<u>2</u>	<u>2</u>
	<u>252</u>	<u>235</u>

	Group	
	31.3.20	31.3.19
Direct charitable	359	345
Fundraising	7	6
Governance	<u>2</u>	<u>2</u>
	<u>368</u>	<u>353</u>

Staff costs were as follows

	Charity	
	31.3.20	31.3.19
	£	£
Wages and salaries	7,212,838	6,619,127
Social security costs	623,822	598,971
Pension costs	<u>543,402</u>	<u>371,036</u>
	<u>8,380,062</u>	<u>7,589,134</u>

	Group	
	31.3.20	31.3.19
	£	£
Wages and salaries	9,728,331	9,387,815
Social security costs	789,848	774,715
Pension costs	<u>785,165</u>	<u>604,707</u>
	<u>11,303,344</u>	<u>10,767,237</u>

11. STAFF COSTS – cont'd

The company operated a defined contribution pension scheme. The assets of the scheme were held separately from those of the company in an independently administered fund. Contributions payable for the year were charged to the Statement of Financial Activities.

	Charity	
	31.3.20	31.3.19
	£	£
Amount of outstanding pension contributions	<u>3,451</u>	<u>971</u>

	Group	
	31.3.20	31.3.19
	£	£
Amount of outstanding pension contributions	<u>28,205</u>	<u>21,981</u>

Number of employees whose emoluments (excluding pension contributions) exceeded £60,000 in the year:

	Charity and Group	
	31.3.20	31.3.19
£60,000 - £69,999	-	-
£70,000 - £79,999	2	2
£80,000 - £89,999	1	1
£90,000 - £99,999	1	1
	<u>4</u>	<u>4</u>

The total employer's contributions paid to defined contribution schemes for the above higher paid employees was £23,361 (2019 - £21,905). The key management personnel of the charity, the Trust, comprise the Executive Director, Director Finance & Corporate Services, Director Youth, Employment & Skills Training and Director Communities & Environmental Services. The total employee benefits of the key management personnel of the Trust were £456,466 (2019 £444,049).

12. TANGIBLE FIXED ASSETS – Group

	Freehold land and buildings £	Building improve- ments £	Fixtures and fittings £	Computer Equip't £	Motor vehicles £	Floating Classroom £
COST	(see note 32d)					
At 1 st April 2019 (restated)	2,603,300	78,334	167,824	135,107	8,104	88,350
Additions	-	-	74,654	37,491	-	-
Disposals	-	-	-	-	-	-
At 31 st March 2020	<u>2,603,300</u>	<u>78,334</u>	<u>242,478</u>	<u>172,598</u>	<u>8,104</u>	<u>88,350</u>
DEPRECIATION						
At 1 st April 2019 (restated)	419,439	25,245	112,300	86,598	7,628	9,300
Disposals	-	-	-	-	-	-
Charge for year	<u>36,900</u>	<u>15,722</u>	<u>38,894</u>	<u>38,058</u>	<u>476</u>	<u>4,650</u>
At 31 st March 2020	<u>456,339</u>	<u>40,967</u>	<u>151,194</u>	<u>124,656</u>	<u>8,104</u>	<u>13,950</u>
NET BOOK VALUE						
At 31 st March 2020	<u>2,146,961</u>	<u>37,367</u>	<u>91,284</u>	<u>47,942</u>	<u>-</u>	<u>74,400</u>
At 31 st March 2019	<u>2,183,861</u>	<u>53,089</u>	<u>55,524</u>	<u>48,509</u>	<u>476</u>	<u>79,050</u>

£1,000,000 of the purchase cost of Morley Street (50% of the cost), as previously stated in the Balance Sheet, with associated depreciation of £39,639 has been adjusted in the Balance Sheet for year ended 31st March 2017 together with an adjustment for depreciation. Annual depreciation for the investment part of the building (£10,000) has been adjusted in financial years 2017, 2018 and 2019.

12. TANGIBLE FIXED ASSETS – Group

Cost	Total Tangible Fixed Assets £
At 1 April 2019	3,081,019
Additions	112,145
Disposals	-
At 31 March 2020	<u>3,193,164</u>
Depreciation	
At 1 April 2019	660,510
Disposals	-
Charge for year	<u>134,700</u>
At 31 March 2020	<u>795,210</u>
Net Book Value	
At 31 March 2020	<u>2,397,954</u>
At 31 March 2019	<u>2,420,509</u>

12. TANGIBLE FIXED ASSETS – Charity

	Freehold land and buildings £	Building improve- ments £	Fixtures and fittings £	Computer Equip't £	Motor vehicles £	Total £
COST	(see note 32d)					
At 1 st April 2019 (restated)	1,620,000	78,334	94,651	96,919	-	1,889,904
Additions	-	-	68,854	37,491	-	106,345
Disposals	-	-	-	-	-	-
At 31 st March 2020	<u>1,620,000</u>	<u>78,334</u>	<u>163,505</u>	<u>134,410</u>	<u>-</u>	<u>1,996,249</u>
DEPRECIATION						
At 1 st April 2019 (restated)	402,639	25,165	62,321	59,328	-	549,453
Disposals	-	-	-	-	-	-
Charge for year	<u>28,500</u>	<u>15,722</u>	<u>22,101</u>	<u>29,254</u>	<u>-</u>	<u>95,577</u>
At 31 st March 2020	<u>431,139</u>	<u>40,887</u>	<u>84,422</u>	<u>88,582</u>	<u>-</u>	<u>645,030</u>
NET BOOK VALUE						
At 31 st March 2020	<u>1,188,861</u>	<u>37,447</u>	<u>79,083</u>	<u>45,828</u>	<u>-</u>	<u>1,351,219</u>
At 31 st March 2019 (restated)	<u>1,217,361</u>	<u>53,169</u>	<u>32,330</u>	<u>37,591</u>	<u>-</u>	<u>1,340,451</u>

£1,000,000 of the purchase cost of Morley Street (50% of the cost), as previously stated in the Balance Sheet, with associated depreciation of £39,639 has been adjusted in the Balance Sheet for year ended 31st March 2017 together with an adjustment for depreciation. Annual depreciation for the investment part of the building (£10,000) has been adjusted in financial years 2017, 2018 and 2019.

13. INTANGIBLE FIXED ASSETS – Group

	Software £
Cost	
At 1 April 2019	49,720
Subsidiary intangible assets at fair value	-
Disposals	-
At 31 March 2020	<u>49,720</u>
Depreciation	
At 1 April 2019	27,777
Disposals	-
Charge for year	<u>13,889</u>
At 31 March 2020	<u>41,666</u>
Net Book Value	
At 31 March 2020	<u>8,054</u>
At 31 March 2019	<u>21,943</u>

14. INVESTMENT PROPERTIES

	Group and charity			
	Freehold property	Short leasehold £	Long leasehold £	Total £
Fair Value at 1 st April 2019 (as restated – see note 32e)	1,875,000	101,323	810,000	2,786,323
Net loss on revaluation	-	(19,559)	-	(19,559)
Fair Value at 31st March 2020	<u>1,875,000</u>	<u>81,764</u>	<u>810,000</u>	<u>2,766,764</u>

Groundwork London operates out of a 21 Morley Street. This property is also used for investment income. It was determined during the year that 50% of the property should be treated as an investment property in accordance with SORP FRS 102. Accordingly an external valuation of £1,875,000 from 2016 has been assigned to the investment element of this property and the comparative amounts have been restated. See Note 32e for details of the restatements.

The short and long leasehold investment properties are held in the UK. The historical cost of the properties is £373,000.

Artichoke Mews was revalued for a sum of £810,000 in 2016 by Avison Young, Chartered Surveyors, on an open market value in accordance with the guidelines issued by the Royal Institute of Chartered Surveyors.

The above represents investment at fair value in the following properties which were transferred from Groundwork Southwark and Lambeth on 1 November 2007 as follows:

Artichoke Mews (125 year lease from 1 July 1990) - £810,000. Historical cost £183,000.

Denmark Hill (41 year lease from 5 June 1983) - £81,764. Historical cost £190,000.

15. SUBSIDIARY COMPANIES

	Charity	
	31.3.20 £	31.3.19 £
Shares in Group Undertakings	2	2

The charity holds 100% of the issued ordinary share capital of Groundwork Environmental Services (West London) Limited (company number 03810135) and Groundwork Environmental Services (East London) Limited (company number 04308777). Both companies are incorporated in England and Wales. Both companies were dormant during the year.

On 14th March 2017 Groundwork London became the sole member of The Groundwork South Trust Ltd, a company registered in England and Wales (registered co number 01982077, registered charity no. 293705) for no consideration and the Group has consolidated its accounts from that date.

The separate accounts for The Groundwork South Trust Limited show the following for the year ended 31 March 2020.

	31.3.20 £	31.3.19 £
Total income for the year	6,004,533	5,940,799
Total expenditure for the year	5,924,996	5,963,683
Total surplus / deficit for the year	79,537	(22,884)
Aggregate amount of assets	1,937,343	2,106,410
Aggregate amount of liabilities	2,421,980	2,670,584
Aggregate deficit on unrestricted funds	(484,637)	(564,174)

16. NON CURRENT ASSETS

	Charity	
	31.3.20	31.3.19
	£	£
Loans to subsidiary undertakings	365,948	1,275,948
	<u>365,948</u>	<u>1,275,948</u>

Loans to The Groundwork South Trust Ltd are not expected to be repaid within one year. Interest is charged to subsidiary undertakings at 2.85% above the Bank of England base rate, monthly in arrears. The freehold property of the charity has been pledged as security on these funds.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	31.3.20	31.3.19	31.3.20	31.3.19
			£	£
Trade debtors	6,646,069	4,707,487	6,533,604	4,201,970
Prepayments and accrued income	1,122,931	1,104,199	1,091,821	875,902
Other debtors	5,334	5,309	4,589	5,309
	<u>7,774,334</u>	<u>5,816,995</u>	<u>7,630,014</u>	<u>5,083,181</u>

18. CURRENT ASSETS INVESTMENTS

	Group and Charity	
	31.3.20	31.3.19
	£	£
Quoted market price at start of year	2,938,183	2,798,779
Additions in year at cost	-	-
Net (losses) / gains on cash investments	<u>(195,403)</u>	<u>139,404</u>
Quoted market price at year end	<u>2,742,780</u>	<u>2,938,183</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	31.3.20	31.3.19	31.3.20	31.3.19
			£	£
Trade Creditors	1,065,524	1,708,020	1,170,405	1,487,070
Bank loans and overdrafts	-	109,021	-	-
Taxation and social security	1,025,348	916,418	889,113	707,337
Accruals and deferred income	5,887,160	3,531,956	4,488,654	2,787,475
Other creditors	192,436	179,761	104,436	124,601
	<u>8,170,468</u>	<u>6,445,176</u>	<u>6,652,608</u>	<u>5,106,483</u>

20. DEFERRED INCOME

Movements in group deferred income during the year were as follows:

	Group		
	Balance at 1 April 2019	Transferred from deferred income	Balance at 31 March 2020
	£	£	£
Income from charitable activities	<u>3,434,215</u>	<u>2,343,177</u>	<u>5,777,392</u>

20. DEFERRED INCOME – cont'd

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

	Group		
	Income received	Transferred from deferred income	Net income
	£	£	£
Income from charitable activities	<u>22,040,787</u>	<u>2,343,177</u>	<u>24,383,964</u>

Movements in charity deferred income during the year were as follows:

	Charity		
	Balance at 1 April 2019	Transferred to deferred income	Balance at 31 March 2020
	£	£	£
Income from charitable activities	<u>2,787,475</u>	<u>1,701,179</u>	<u>4,488,654</u>

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

	Charity		
	Income received	Transferred from deferred income	Net income
	£	£	£
Income from charitable activities	<u>21,529,418</u>	<u>(1,701,179)</u>	<u>19,828,239</u>

21. COMMITMENTS UNDER OPERATING LEASES

Future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Group		Charity	
	31.3.20	31.3.19	31.3.20	31.3.19
	£	£	£	£
Not later than one year	218,156	214,204	136,850	126,465
Later than one year and not later than five years	625,473	690,487	319,376	380,756
Later than five years	<u>33,860</u>	<u>109,860</u>	<u>-</u>	<u>-</u>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS – Group

	Unrestricted funds	Restricted funds	31.3.20 Total funds	31.3.19 Total funds as restated
	£	£	£	£
Fixed assets	2,406,008	-	2,406,008	2,442,452
Investments	1,875,000	891,764	2,766,764	2,786,323
Current assets	12,248,094	691,833	13,180,668	10,815,117
Current liabilities	<u>(7,733,634)</u>	<u>(436,834)</u>	<u>(8,411,209)</u>	<u>(6,445,176)</u>
	<u>8,795,468</u>	<u>1,146,763</u>	<u>9,942,231</u>	<u>9,598,716</u>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS – Charity

	Unrestricted funds	Restricted funds	31.3.20 Total funds	31.3.19 Total funds as restated
	£	£	£	£
Fixed assets	1,351,219	-	1,351,219	1,340,451
Non-current assets	351,157	14,791	365,948	2,786,323
Investments	1,875,000	891,764	2,766,764	1,275,948
Current assets	12,086,445	509,100	12,595,545	9,866,651
Current liabilities	(6,383,716)	(268,892)	(6,652,608)	(5,106,483)
	<u>9,280,105</u>	<u>1,146,763</u>	<u>10,426,868</u>	<u>10,162,890</u>

23. THE FUNDS OF THE GROUP - 2020

	Brought forward at 1 April 2019 as restated (see note 32)	Incoming Resources	Resources Expended	Net gains / (losses) on invest- ments	Transfers In / (Out)	Carried Forward at 31 March 2020
Unrestricted Funds						
General funds	5,623,024	16,787,447	(16,373,372)	-	79,865	6,116,964
Groundwork South	(564,174)	3,446,814	(3,405,116)	-	37,839	(484,637)
Inter Group trans.		(1,488,884)	1,488,884	-	-	-
Total General funds	<u>5,058,850</u>	<u>18,745,377</u>	<u>(18,289,604)</u>	<u>-</u>	<u>117,704</u>	<u>5,632,327</u>
Designated funds	2,155,361	-	-	-	(10,000)	2,145,361
Fair value reserve	1,213,183	-	-	(195,403)	-	1,017,780
Total Unrestricted Funds	<u>8,427,394</u>	<u>18,745,377</u>	<u>(18,289,604)</u>	<u>129,404</u>	<u>107,704</u>	<u>8,795,468</u>
Restricted Funds						
Revaluation fund	679,099	-	-	(19,559)	-	659,540
Property fund	492,223	-	(5,000)	-	-	487,223
Programme funds	-	3,484,713	(2,519,880)	-	(37,839)	-
Groundwork South	-	2,557,719	(3,414,848)	-	(69,865)	-
Total Restricted Funds	<u>1,171,322</u>	<u>6,042,432</u>	<u>(5,939,728)</u>	<u>(19,559)</u>	<u>(107,704)</u>	<u>1,146,763</u>
Total Funds	<u>9,598,716</u>	<u>24,787,809</u>	<u>(24,229,332)</u>	<u>(214,962)</u>	<u>-</u>	<u>9,942,231</u>

23. THE FUNDS OF THE GROUP – 2019

	Brought forward at 1 April 2018 as restated (see note 32)	Incoming Resources	Resources Expended	Net gains / (losses) on investments	Transfers In / (Out)	Carried Forward at 31 March 2019
Unrestricted Funds						
General funds	5,197,742	12,265,967	(11,916,739)	129,404	86,054	5,623,024
Groundwork South	(541,290)	235,118	(531,256)	-	273,254	(564,174)
Total General funds	<u>4,656,452</u>	<u>235,118</u>	<u>(12,447,995)</u>	<u>129,404</u>	<u>349,308</u>	<u>5,058,850</u>
Designated funds	2,165,361	-	-	-	(10,000)	2,155,361
Fair value reserve	1,073,779	-	-	-	-	1,213,183
Total Unrestricted Funds	<u>7,895,592</u>	<u>12,501,085</u>	<u>(12,447,995)</u>	<u>129,404</u>	<u>339,308</u>	<u>8,427,394</u>
Restricted Funds						
Revaluation fund	689,158	-	-	(19,559)	9,500	679,099
Property fund	506,723	-	(5,000)	-	(9,500)	492,223
Programme funds	-	5,705,681	(5,432,427)	-	(273,254)	-
Groundwork South	-	3,133,366	(3,067,312)	-	66,054	-
Inter Group trans.	-	(1,288,903)	1,288,903	-	-	-
Total Restricted Funds	<u>1,195,881</u>	<u>7,550,144</u>	<u>(7,215,836)</u>	<u>(19,559)</u>	<u>(339,308)</u>	<u>1,171,322</u>
Total Funds	<u>9,091,473</u>	<u>20,051,229</u>	<u>(19,63,831)</u>	<u>109,845</u>	<u>-</u>	<u>9,598,716</u>

THE FUNDS OF THE CHARITY -2020

	Brought forward at 1 April 2019 as restated (see notes 32 g-i)	Incoming Resources	Resources Expended	Net gains / (losses) on investments	Transfers In / (Out)	Carried Forward at 31 March 2020
	£	£	£	£	£	£
Unrestricted Funds						
General funds	5,623,024	16,787,447	(16,373,372)	-	79,865	6,116,964
Designated funds	2,155,361	-	-	-	(10,000)	2,145,361
Fair value reserve	1,213,183	-	-	(195,403)	-	1,017,780
Total Unrestricted Funds	<u>8,991,568</u>	<u>16,787,447</u>	<u>(16,373,372)</u>	<u>(195,403)</u>	<u>69,865</u>	<u>9,280,105</u>
Restricted Funds						
Revaluation fund	679,099	-	-	(19,559)	-	659,540
Property fund	492,223	-	(5,000)	-	-	487,223
Programme funds	-	3,484,713	(3,414,848)	-	(69,865)	-
Total Restricted Funds	<u>1,171,322</u>	<u>3,484,713</u>	<u>(3,419,848)</u>	<u>(19,559)</u>	<u>(69,865)</u>	<u>1,146,763</u>
Total Funds	<u>10,162,890</u>	<u>20,272,160</u>	<u>(19,793,220)</u>	<u>(214,962)</u>	<u>-</u>	<u>10,426,868</u>

THE FUNDS OF THE CHARITY -2019

	Brought forward at 1 April 2018 as restated £	Incoming Resources £	Resources Expended £	Net gains / (losses) on investments £	Transfers In / (Out) £	Carried Forward at 31 March 2019 £
Unrestricted Funds						
General funds	5,197,742	12,313,590	(11,974,362)	-	76,054	5,623,024
Designated funds	2,165,361	-	-	-	(10,000)	2,155,361
Fair value reserve	1,073,779			139,404	-	1,213,183
Total Unrestricted Funds	8,456,882	12,313,590	(11,974,362)	129,404	66,054	8,991,568
Restricted Funds						
Revaluation fund	689,158	-	-	(19,559)	9,500	679,099
Property fund	506,723	-	(5,000)	-	(9,500)	492,223
Programme funds	-	3,133,366	(3,067,312)	-	(66,054)	-
Total Restricted Funds	1,195,881	3,133,366	(3,072,312)	(19,559)	(76,054)	1,171,322
Total Funds	9,632,763	15,446,956	(15,046,674)	119,845	-	10,162,890

24. THE FUNDS OF THE CHARITY

Unrestricted Funds

General Funds

Funds available are sufficient to permit the company to continue in operation in the short term given the continued support of the funders. Should this support not continue in the longer term, further financial support would need to be sought to replace it. Where funds which are regarded as restricted are awarded based on outputs rather than actual costs any funds not applied against directly identified costs are transferred at the year end to unrestricted funds to cover overhead costs not directly recharged.

Income that has not been fully delivered or earned is deferred.

Designated Funds

The Designated Fund represents funds transferred from the general fund for the purpose of Groundwork London development. This includes the cost of the Morley Street property less the property depreciation charges.

Fair Value Reserve

The Fair Value Reserve is a reserve for the unrealised gains and losses on the charity's unrestricted fixed asset investments and investment property revaluations.

Groundwork South

These financial statements include the results of The Groundwork South Trust Ltd (registered co number 01982077, registered charity no. 293705) following Groundwork London becoming sole company member on 14th March 2017. The funds held in the group accounts represent the general funds of The Groundwork South Trust Ltd at 31st March 2020. Funds are transferred from unrestricted to restricted at the year-end on the basis that no restrictions exist on the income and expenditure recognised.

Restricted Funds

Revaluation Fund

A revaluation fund is required by the Companies Act 2006 where investment properties are revalued subsequent to their acquisition, or in the case of assets held prior to the mergers, transfer to the control of Groundwork London. The balance shown on the revaluation reserve in the accounts, represents the

difference between the revaluation of the investment in the Denmark Hill property (in 2003) and its original cost.

Property Fund

The investment property fund represents the valuation of the properties. The properties are the public house at Denmark Hill Station, the workshops and flats at Artichoke Mews and the property at Lower Clapton Road.

The properties at Denmark Hill and Artichoke Mews are intended to be set aside so that the returns are used for the day to day expenses of the charity in relation to projects undertaken within the London Borough of Southwark. The property at Lower Clapton Road is a freehold property transferred from Groundwork East London. The trustees have set aside an amount equivalent to the value of the investment properties as designated funds. The revaluation surplus following the most recent valuation of the properties for Denmark Hill is held in a separate Revaluation Fund.

The investment income less the investment management costs are allocated to a "Property" restricted fund.

Programme Funds

Grants, which are received for specific programmes (Communities & Young People, Urban Landscapes and Open Space, Employment & Skills Training and Environmental Services), are accounted for as restricted funds. The balances on restricted funds arise from grants received for these programmes on which some expenditure is still to be incurred in the coming financial year. Where funds which are regarded as restricted are awarded based on outputs rather than actual costs, any funds not applied against directly identified costs are transferred at the year end to unrestricted funds to cover overhead costs not directly recharged. There were no restricted balances on these grant funded programmes at 31st March 2020.

Groundwork South

Income which is received for specific programmes (Greener Living and Working, Youth and Employment, Parks and Open Spaces) are accounted for as restricted funds. These financial statements include the results for the year of The Groundwork South Trust Ltd (registered co number 01982077, registered charity no. 293705) following Groundwork London becoming sole company member on 14th March 2017. The balance of funds in the group accounts at 31st March 2020 represent the total funds held by The Groundwork South Trust Ltd at this date.

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

	Group		Charity	
	31.3.20	31.3.19	31.3.20	31.3.19
		As restated		As restated
	£	£		
Net movement in funds	343,515	507,243	263,978	530,127
Investment income	(403,845)	(416,403)	(443,921)	(464,026)
Depreciation	148,589	145,901	95,577	76,194
Increase in debtors	(1,957,339)	(1,193,119)	(2,546,833)	(1,820,243)
Net loss/ (gains) on cash investments	214,962	(119,845)	214,962	(119,845)
Increase in creditors	1,725,292	419,043	1,546,125	1,144,558
Cash flows from operating activities	71,174	(657,180)	(870,112)	(653,235)

26. Analysis of changes in net debt

	31.3.19	Cash flows	Other Non- Cash change	Group 31.3.20
	£	£	£	£
Cash and Cash equivalents				
Cash	2,059,939	362,874	-	2,422,813
Overdrafts	(109,021)	109,021	-	-
Cash equivalents	-	-	-	-
	<u>1,950,918</u>	<u>471,895</u>	<u>-</u>	<u>2,422,813</u>
Borrowings				
Debt due within 1 year	-	-	-	-
Debt due after 1 year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>1,950,918</u>	<u>471,895</u>	<u>-</u>	<u>2,422,813</u>

	31.3.19	Cash flows	Other Non- Cash change	Charity 31.3.20
	£	£	£	£
Cash and Cash equivalents				
Cash	1,845,287	377,464	-	2,222,751
Overdrafts	-	-	-	-
Cash equivalents	-	-	-	-
	<u>1,845,287</u>	<u>377,464</u>	<u>-</u>	<u>2,222,751</u>

	At 1 Apr 2019	Cash flows	Other Non-Cash change	At 31.3.20
	£	£	£	£
Borrowings				
Debt due within 1 year	-	-	-	-
Debt due after 1 year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>1,845,287</u>	<u>377,464</u>	<u>-</u>	<u>2,222,751</u>

28. FINANCIAL INSTRUMENTS

	31.3.20	Charity 31.3.19
	£	£
Financial Assets		
Financial assets measured at fair value through income and expenditure	2,742,780	2,938,183
Financial assets that are debt instruments measured at amortised cost	8,760,944	6,052,566
	<u>11,503,724</u>	<u>8,990,749</u>
Financial Liabilities		
Financial liabilities measured at amortised cost	(2,163,954)	(2,319,008)
	<u>9,339,770</u>	<u>6,671,741</u>

28. FINANCIAL INSTRUMENTS – cont'd

	Group	
	31.3.20	31.3.19
	£	£
Financial Assets		
Financial assets measured at fair value through income and expenditure	2,742,780	2,938,183
Financial assets that are debt instruments measured at amortised cost	9,074,216	6,772,735
	<u>11,816,996</u>	<u>9,710,918</u>
Financial Liabilities		
Financial liabilities measured at amortised cost	(2,393,076)	(3,010,961)
	<u>9,423,920</u>	<u>6,699,957</u>

Financial assets measured at fair value through income and expenditure comprise fixed asset investments in UK listed investments.

Financial assets measured at amortised cost comprise all cash and cash equivalent balances and debtor balances, excluding prepayments and accrued income.

Financial liabilities measured at amortised cost comprise all creditor balances except deferred income.

29. CAPITAL COMMITMENTS

At 31st March 2020 there were no capital commitments or contingent liabilities for Groundwork London.

As part of the conditions of a grant agreement between Groundwork South and the Football Foundation in respect of Saltmill Pitch in Cornwall Groundwork South is required to maintain the pitch to the FA standard. As well as annual maintenance inspections, the pitch had its routine, three year inspection in 2017 and, following some repairs, was awarded a further three years registration. The pitch was due to be inspected in 2020 but, as a result of Covid-19 lockdowns, this has been extended until May 2021. Due to the age of the pitch it is possible that it will not pass this next inspection and if that is the case we will be obliged to replace the surface of the pitch. Initial quotes and specialist review of the pitch replacement requirements indicate potential costs in the region of £150k. The Trust is actively fundraising for the cost to enable replacement works. A provision has not been made in the 2019/20 accounts as the liability is not due in this financial year.

30. RELATED PARTY TRANSACTIONS

Transactions between the charity and its wholly controlled subsidiary are not disclosed, as permitted by the exemptions set out in Section 33.1A of FRS 102 (Related Party Disclosures).

31. ACKNOWLEDGEMENTS

Groundwork London thanks all its supporters. We have been asked specifically to acknowledge the support of the following funders

Source	Project
BIG Lottery	BBO Refugee Central
BIG Lottery	BBO ILM North
BIG Lottery	BBO ILM South
BIG Lottery	BBO Coast to Capital

32. Prior Year adjustments

There have been a number of changes to the published accounts figures for the years 2017, 2018 and 2019.

The tables below show the adjustments to the accounts and the accounts notes to which these adjustments relate.

32a. Investment income (accounts note 3)

	Group	
	31.3.18	31.3.19
	£	£
As previously published	394,108	464,026
Interest on intercompany loans	(23,329)	(47,623)
As restated	<u>370,779</u>	<u>416,403</u>

Interest on the loans between group undertakings had not been removed in the consolidation exercise. Interest in 2019 (£47,623), 2018 (£23,329). This adjustment affects only the Group accounts.

32b. Charitable Activities Costs (accounts note 6)

	Charity		
	31.3.17	31.3.18	31.3.19
	£	£	£
As reported	13,087,335	13,210,730	14,765,777
Depreciation on mixed use investments	(10,000)	(10,000)	(10,000)
As restated	<u>13,077,335</u>	<u>13,200,730</u>	<u>14,755,777</u>

Annual depreciation for the investment part of the building (£10,000) has been adjusted in financial years 2019, 2018 and 2017. This adjustment affects both the Charity and Group accounts below.

	Group		
	31.3.17	31.3.18	31.3.19
	£	£	£
As reported	13,415,849	19,072,213	19,440,557
Depreciation on mixed use investments	(10,000)	(10,000)	(10,000)
Interest on inter-company loans	-	(23,329)	(47,623)
As restated	<u>13,405,849</u>	<u>19,038,884</u>	<u>19,382,934</u>

Charitable Activities Costs (accounts note 6)

Interest on the loans between group undertakings had not been removed in the consolidation exercise in the published accounts. Interest has been adjusted in 2019 (£47,623), 2018 (£23,329). This adjustment only affects the Group accounts.

32c. Governance & Support Costs (accounts note 7)

	Charity		
	31.3.17	31.3.18	31.3.19
	£	£	£
Total costs as reported			1,333,090
Depreciation on mixed use investments	(10,000)	(10,000)	(10,000)
As restated	<u>1,253,390</u>	<u>1,883,004</u>	<u>1,323,090</u>

Annual depreciation for the investment part of the building (£10,000) has been adjusted in financial years 2017, 2018 and 2019. This adjustment affects both the Charity and Group accounts below.

32c. Governance & Support Costs (accounts note 7) – cont'd

	31.3.17	31.3.18	Group 31.3.19
	£	£	£
Total costs as reported	1,263,390	1,916,333	1,864,346
Depreciation on mixed use investments	(10,000)	(10,000)	(10,000)
Interest on inter-company loans	-	(23,329)	(47,623)
As restated	<u>1,253,390</u>	<u>1,883,004</u>	<u>1,806,723</u>

Interest on the loans between group undertakings had not been removed in the consolidation exercise. Interest has been adjusted in 2019 (£47,623), and 2018 (£23,329). This adjustment only affects the Group accounts.

32d. Tangible Fixed Assets – Land & Buildings (accounts note 12)

	31.3.17	31.3.18	Group 31.3.19
	£		
Cost			
At 1 April	3,603,300	2,603,300	2,603,300
Transfer to investment properties	(1,000,000)		
At 31 March	<u>2,603,300</u>	<u>2,603,300</u>	<u>2,603,300</u>
Depreciation			
At 1 April	356,778	345,639	382,539
Transfer to investment properties	(39,639)		
Charge for year	28,500	36,900	36,900
At 31 March	<u>345,639</u>	<u>382,539</u>	<u>419,439</u>
Net Book Value			
At 31 March	<u>2,257,661</u>	<u>2,220,761</u>	<u>2,183,861</u>
At 1 April	<u>3,246,522</u>	<u>2,257,661</u>	<u>2,220,761</u>
See notes in the next section			

32. Prior Year adjustments – cont'd

	31.3.17	31.3.18	Charity 31.3.19
	£		
Cost			
At 1 April	2,620,000	1,620,000	1,620,000
Transfer to investment properties	(1,000,000)		
At 31 March	<u>1,620,000</u>	<u>1,620,000</u>	<u>1,620,000</u>
Depreciation			
At 1 April	356,778	345,639	374,139
Transfer to investment properties	(39,639)		
Charge for year	28,500	28,500	28,500
At 31 March	<u>345,639</u>	<u>374,139</u>	<u>402,639</u>
Net Book Value			
At 31 March	<u>1,274,361</u>	<u>1,245,861</u>	<u>1,245,861</u>
At 1 April	<u>2,263,222</u>	<u>1,274,361</u>	<u>1,245,861</u>

£1,000,000 of the purchase cost of Morley Street (50% of the cost), as previously stated in the Balance Sheet, with associated depreciation of £39,639 has been adjusted in the Balance Sheet for year ended 31st March 2017. This has transferred to Investment Properties (note 32e).

Annual depreciation for the investment part of the building (£10,000) has been adjusted in financial years 2017, 2018 and 2019.

32e. Investment Properties

	Group and charity		
	31.3.17	31.3.18	31.3.19
	£	£	£
Fair Value at 1 st April	970,000	2,825,441	2,805,882
Transfers cost from fixed assets	1,000,000	-	-
Transfer depreciation from fixed assets	(39,639)		
Transfer from designated fund	39,639		
Fair value revaluation	875,000		
Net loss on revaluation	(19,559)	(19,559)	(19,559)
Fair Value at 31st March	<u>2,825,441</u>	<u>2,805,882</u>	<u>2,786,323</u>

Groundwork London operates from Morley Street. This property is also used for investment income generation. It was determined during the year that 50% of the property should be treated as an investment property in accordance with Section 17 of SORP FRS102 for accounting periods beginning after 1st January 2019. £1,000,000 (50% of the cost), as previously stated in the Balance Sheet, with associated depreciation of £39,639 has been adjusted in the Balance Sheet for year ended 31st March 2017.

An external valuation of £1,875,000 from 2016 has been assigned to the investment element of this property and the comparative amounts have been restated. A fair value reserve of £875,000, representing the difference between the external valuation and cost, has been created (note 32h).

Annual depreciation for the investment part of the building (£10,000) has been adjusted in financial years 2017, 2018 and 2019. An investment revaluation fund of £1,875,000, within the Development Reserve has been provided to reflect the value of the investment.

32f. Statement of Cashflows

The Consolidated Statement of Cashflows has been restated for 2019 and 2018 as a result of the interest on the loans between group undertakings which had not previously been deducted in the consolidation exercise. Interest of £47,623 in 2019, and £23,329 in 2018 has been adjusted. This adjustment only affects the Group accounts.

	Group	
	31.3.18	31.3.19
	£	£
Cashflows from operating activities as published	773,499	704,803
Interest on inter-company loans	(23,329)	(47,623)
As restated	<u>750,170</u>	<u>657,180</u>
Investment income received as published	464,026	394,108
Interest on inter-company loans	(23,329)	(47,623)
As restated	<u>370,779</u>	<u>416,403</u>

32g. General Fund

	Group		
	31.3.17	31.3.18	31.3.19
	£	£	£
Funds at 1 April	2,830,004	4,283,100	4,656,452
Incoming Resources	12,324,427	10,717,698	12,548,708
Resources Expended	(10,946,885)	(10,098,605)	(12,495,618)
Gains/ (losses) on investments	4,355	48,062	139,404
Transfers in /(out)	71,199	(293,803)	209,904
Funds at 31st March	<u>4,283,100</u>	<u>4,656,452</u>	<u>5,058,850</u>

32g. General Fund – cont'd

	Charity		
	31.3.17	31.3.18	31.3.19
	£	£	£
General Fund at 1 April	2,830,004	4,518,026	5,197,742
Incoming Resources	12,323,360	9,980,841	12,313,590
Resources Expended	(10,913,167)	(9,479,800)	(11,964,362)
Gains/ (losses) on investments	190,321	48,062	139,404
Transfers in /(out)	87,508	130,613	(63,350)
General Fund at 31 March	<u>4,518,026</u>	<u>5,197,742</u>	<u>5,623,024</u>

32h. Designated fund

	Group and charity		
	31.3.17	31.3.18	31.3.19
	£	£	£
Designated Fund at 1 st April	2,145,722	2,175,361	2,165,361
Transfers from property investments	39,639	-	-
Depreciation on mixed use investments	(10,000)	(10,000)	(10,000)
Designated Fund at 31st March	<u>2,175,361</u>	<u>2,165,361</u>	<u>2,155,361</u>

Annual depreciation for the investment part of the building (£39,639 to 31.3.16 and £10,000 per annum thereafter) has been adjusted in financial years 2017, 2018 and 2019.

32i. Fair Value Reserve

	Group and charity		
	31.3.17	31.3.18	31.3.19
	£	£	£
Fair Value Reserve at 1 st April	(39,604)	1,025,717	1,073,779
Property revaluation	875,000	-	-
Net gains on investments	190,321	48,062	139,404
Fair Value Reserve at 31st March	<u>1,025,717</u>	<u>1,073,779</u>	<u>1,213,183</u>

An external valuation of £1,875,000 from 2016 has been assigned to the investment element of Morley Street. A fair value reserve of £875,000, representing the difference between the external valuation and cost (£1,000,000).

The Charity had previously included unrealised gains and losses on the fixed asset investments within unrestricted general funds. The charity has reclassified these unrealised gains and losses within the fair value reserve.