



Groundwork Wales

**Annual Report and
Financial Statements 2019/20**

Groundwork Wales

Charity registration no. 1096662

Company registration no. 3577896

Registered office

Ty Mynyddislwyn Offices, Bryn Road, Pontllanfraith, Blackwood, Gwent NP12 2BH

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About Groundwork Wales

Groundwork Wales is a charity, working within the federation of Groundwork Trusts, locally and nationally to transform lives in the UK's most disadvantaged communities.

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

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

Groundwork harnesses the passion, skills and experience of 43 employees and 8 volunteer trustees. In 2019/20 we delivered projects and programmes to a value of some £1.49m.

Groundwork Wales is registered as a company and charity. This report outlines the activity, priorities and financial position of Groundwork. More information on our work can be found in our Impact Report and on our website.

Chairman's statement

The end of 2019-20 saw a global pandemic lead to both a public health and economic crisis and it will continue to shape our lives for years to come. The impact of the pandemic is stark and has already changed the way we live and work.

Social distancing rules make the future of our economy uncertain and mean we have all had to find new ways to communicate and stay in touch, both at work and socially. In such a turbulent climate it is even more important that local organisations such as Groundwork Wales take action to support our communities.

This report shows the breadth, depth and range of work we do. In 2019/20 despite the issues we have faced and the changed operating conditions, Groundwork Wales is coping relatively well; despite the challenges we face, new opportunities are appearing.

Our Green Dragon Standard supported companies to implement an Environmental Management System ensuring that each company's activities have less impact on the environment and increasing the company's profitability.

Green Enterprise is helping people release their potential through a range of work-based business initiatives that can make an impact now and in the future.

We had previously restructured our delivery to focus on our Green Services, Green Academy and Green Enterprise and now have reinforced our Board with appointments from the commercial world and from the voluntary sector.

We restructured the senior management team to bring more accountability for the individual services.

We also secured additional contracts, grants and donations, based on reputation and previous impact, including support from Garfield Weston and others.

The opportunities and challenges we faced before the crisis remain. At Groundwork Wales we maintain our commitment to supporting the Welsh Government to respond to demographic changes; to ensure that in Wales everyone has a decent standard of living and the opportunity to gain the skills necessary to lead a healthy and fulfilled life. We will continue to work in the heart of some of our most disadvantaged communities to:

- tackle environmental issues;
- bring out the best in our young people by helping them to improve their skills; and
- build stronger communities.

We continue to make significant impact and this is only possible because of the skills, expertise and sheer hard work of our staff and Trustees.

In 2020/21 we will put the needs of communities and our collective responsibility towards our citizens first, we will be collaborative, show integrity and strive for quality in everything we do. I look forward to working with you on this inspiring journey to changing places and changing lives.

Jeff Greenidge
Chairman

Governance

Registration numbers

Charity Registration Number 1096662

Company Registration Number 03577896

Structure

Groundwork Wales' governing documents are its Memorandum and Articles of Association, which were last amended by written resolution in March 2016.

Board of trustees

The board of trustees sit in accordance with the Charities Act 2011, and are also the directors of the company in accordance with the Companies Act 2006. The majority of our trustees are co-opted, with one nominated member from Caerphilly council. We seek a broad skills base on our board of trustees to enable us to benefit from specialist expertise and networks.

We take our governance responsibilities very seriously, recognising the need to ensure as much of our resource as possible is expended on delivering our charitable mission while ensuring our organisation is strong, well-managed and financially viable in the long term.

New trustees are provided with an induction to the organisation, which includes a specific focus on their role and responsibilities.

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

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

Related party transactions

Each Groundwork Trust is an independent charity with similar aims. We operate within a group structure and Groundwork Caerphilly is a wholly owned subsidiary. Each Groundwork Trust is therefore responsible for its own management and administration, and for developing and delivering projects that meet its objectives and core purposes. Some of the appointed trustees of Groundwork Wales are also trustees of Groundwork Caerphilly. Groundwork Caerphilly is a related party to Groundwork Wales.

Groundwork Wales has considered the other disclosure requirements of the SORP and believes that there are no other related party transactions.

Our commitments

Everything Groundwork Wales does is underpinned by a set of values, which inform the way we work and behave.

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. We do not undertake widespread fundraising from the general public.

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

Groundwork Wales is not required to be bound by any regulatory scheme.

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

Objectives and public benefit

Groundwork Wales' charitable objectives are set down in its Memorandum of Association and date from the interpretation of charitable activities when they were drafted in 1998, as amended at annual general meetings and by written resolution. They commit Groundwork Wales to delivering and promoting regeneration and sustainable development as follows:

The objects of the Company are firstly to promote the conservation, protection and improvement of the physical and natural environment anywhere in the area; secondly to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting "to Wales"; thirdly to advance public education in environmental matters and of the ways or better conserving, protecting and improving the same wheresoever; and fourthly to promote the efficiency of other charities having objects similar to the objects of the Company.

Groundwork Wales' trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the organisation's objectives and planning future activities. In particular, the trustees consider how planned activities will contribute to the charitable objectives set out above. Further details about the impact of Groundwork Wales' activities during 2019/20 can be found on the following pages.

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

For further details about our work visit www.groundwork.org.uk

Strategic report for the year ended 31 March 2020

The Board of Trustees presents its report for the year ended 31 March 2020. This includes statements about our organisation (page 9), its objectives and its governance (pages 5), our financial and operational review for the year (pages 9-10), our plans for the future (pages 8) and details of our trustees, senior staff and advisers (pages 48-49).

1. Performance overview

2019/20 has been a year of positive performance for Groundwork Wales with good achievement rates against our financial and operational KPIs, high levels of staff and partner satisfaction and positive feedback from those benefiting from our programmes and services.

The vast majority of activities set out in our business plan for the year have been progressed with no unforeseen issues requiring significant reallocation of resources. Levels of income generated for new programmes during the year were down on our expectations. Lessons learned suggest that increasing levels of competition and funds being targeted on specialist organisations are the primary reasons for bids not being successful, rather than the level of capacity available or the quality of our submissions. Tight control of our costs and good performance on existing programmes has enabled us to report a small financial surplus, allowing us to continue adding gradually to reserves to meet our target of holding a year's worth of operating costs.

During the year we have invested considerable time and effort in managing programmes of adult learning and support for young people, navigating complex funding regulations, compliance regimes and quality frameworks. We remain committed to growing this activity but will face substantial challenges given changes to procurement processes and our position as a 'new entrant' in the marketplace.

Activity highlights

Groundwork continues to deliver a rich variety of local projects, programmes and services that are transforming lives in local communities and helping more people get involved in taking action to improve their personal circumstances and the quality of life in their area.

Last year we sourced £1.26m of funding or enterprising income to support our collective mission.

Groundwork Wales' activities have added value to communities as follows:-

Supporting communities through grants

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

- The **Tesco Bags of Help** programme entered a new phase during the year with the small grant scheme supplemented by a 'flagship' programme to mark the celebration of Tesco's centenary. The programme continues to meet all of its KPIs, and receive positive feedback from Tesco colleagues and community groups. In 2019, Bags of Help has provided more than £96 million across the UK and £29 million to over 9,000 local community projects and unlocked 50,000 days of social action in the UK.

Programmes

We run a broad range of programmes, all of which benefit communities and individuals in line with our objectives, including:

- WeCare
- Healthy Rivers
- Traineeships
- Routes2Life
- Wood2Work
- Volunteering programme
- Furniture Revival (Groundwork Caerphilly)
- Environment Centre
- The Green Dragon Environmental Standard
- Tesco Bags of Help and Tesco Enablers
- Greencare

Building a better Groundwork

As part of the Federation of Groundwork Trusts, Groundwork Wales is contributing to a transformation programme aimed at improving the federation's ability to deliver impact through a collective focus on income diversification, improved and more consistent business management and new models of delivery supported by shared services.

2. Our plans for the future

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

'Groundwork 2023', details how we will support communities to combat the climate and nature emergency, improve their health and wellbeing and gain access to learning and work opportunities.

Groundwork 2023 sets out the charity's ambition to become a significant, radical, national force for driving change in attitudes, behaviours, places and prospects in the local communities that need it most. The strategy commits Groundwork to achieving the following by 2023:

- Mobilise 75,000 days of voluntary action to combat the climate and nature emergency
- Connect 50,000 people with their community and nature to improve wellbeing
- Support 20,000 people into accessing learning and work

3 Financial performance

Groundwork Wales' net incoming resources for 2019/20 totalled £1.26 million (compared to £1.07 million in 2018/19), with an unrestricted loss of £133,148.

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

- to manage our overhead costs to ensure discretionary spending is focused on supporting front line delivery and generating more income while maintaining the capacity we need to operate effectively and safely
- to achieve an operating surplus so that we can hold a level of reserves sufficient to sustain our charitable operations and strengthen our balance sheet to support commercial services and manage the risk of outcome-based funding arrangements

3.1 Reserves

In line with this financial strategy our trustees have agreed that we should aim to hold 3 months operating costs (circa £335K) in liquid reserves. We believe this is appropriate for the following reasons:

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

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

- the need to be seen as a responsible charity by the Charity Commission, our partners and funders, our member Trusts within Groundwork and the communities we serve
- the need to avoid the creation or retention of unnecessary surpluses for which there is no future planned requirement or that bear no relation to our charitable aims.

Our level of free liquid reserves at the end of 2019/20 stands at £399,789. Our general fund reserve does not include designated funds which have been set aside for specific purposes, or restricted funds which represent advance payments by funders held by Groundwork Wales pending completion of project work by Groundwork Trusts and other delivery partners.

Unrestricted reserves total £416K (2019: £550K).

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

The charities subsidiary Groundwork Caerphilly reported an overall net deficit of £75,962 (2019 £6,728) as detailed in note 11.

3.2 Investments

The majority of the funds obtained by Groundwork Wales are provided against specified projects for particular needs and are therefore of a restricted nature.

We do not currently invest monies.

3.3 Grant making policy

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

3.4 Principal funding sources

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

- Private Sector Grants and contracts – £274K (£715k in 2018/19)
This includes funds provided by businesses, trusts and foundations, most notably £55k provided by Tesco to support community groups through the Bags of Help programme. Other major funders during 2019/2020 included Garfield Weston
- Public sector grants and contracts - £301K (£111k in 2018/19)
This includes funding secured to deliver programmes and services on behalf of government departments, public bodies and lottery distributors.

3.5 Expenditure on charitable objectives

In line with the objectives set out in our Groundwork 2020 strategy and the Groundwork Wales business plan, our expenditure in the year was directed towards the provision of resources to support frontline delivery and ensure our organisation delivers effectively and safely.

3.6 Key Performance Indicators

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

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

Performance during 2019/20 has been positive across the majority of indicators with targets met or exceeded in terms of visibility and stakeholder satisfaction. Programme performance has been a more mixed picture with high levels of success achieved in our grant administration activities but more challenge encountered in meeting stretching targets attached to our programmes of subcontracted delivery.

3.7 Sustainable Development Report

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

- **Areas of progress**

As a team, we continue to focus on ensuring that our staff adopt more sustainable practices in the workplace, both through ongoing reinforcement of messages around electricity use and waste but also through dedicated campaigns to promote sustainable travel. We prioritise ethical suppliers in our purchasing arrangements for utilities, catering, cleaning and promotional materials. As a small team of people, we recognise the biggest impact we can make lies in the programmes we manage and the campaigns we run. Our focus is on securing funds that can help people and groups make a positive impact on the environment, but we know we can do more to provide support to all those

benefiting from our programmes to act in a more environmentally responsible way. As the whole of Groundwork refreshes its strategy for the next five years we will press for a stronger focus on developing programmes and services that help communities tackle waste and climate change.

3.8 Principal risks and uncertainties

Our board of trustees understands its responsibilities under the Charity Commission's Statement of Recommended Practice (SORP) for ensuring that the major risks to which the charity is exposed are identified and reviewed, and that there are systems in place to mitigate them.

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

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

- Slow recovery in financial climate, inability to secure income and threat to bottom line and business viability
- Increased competition / Diminishing Grant funds
- Lower Business Viability/Pressure on reserves - Significant reduction in core funding WG, Significant reduction in funding Local Authorities
- Covid-19 Recovery

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

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

3.9 Financial instruments

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

4 Statement of trustees' responsibilities

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

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

affairs of the charity and of the incoming resources and application of resources, including the income and expenditure of the charity for that period.

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

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

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

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

Events after the year end

There have been no events to report.

Disclosure of information by the trustees to the auditor

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

Signed on behalf of the Board of trustees

Jeff Greenidge
Chairman



Date: 15.12.2020

Independent Auditor's Report to members of Groundwork Wales

Opinion

We have audited the financial statements of Groundwork Wales (the "parent charity") and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated and parent Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the group and of the parent charity's affairs as at 31 March 2020 and of the group and parent's charity's 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, incorporating the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, incorporating the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual 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 and proper accounting records have not been kept by the parent charity or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity 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 obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 14 the trustees (who are also the directors of the charitable company for the purposes of company law are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located 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 Charity'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 Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Case FCA DChA

(Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Ty Derw

Lime Tree Court

Cardiff Gate Business Park

Cardiff

CF23 8AB

Date: 18 November 2020

Groundwork Wales
Consolidated Statement of financial activities for the year ended 31 March 2020
Including Income and Expenditure Account

	Note	2020 Unrestric ted funds £	2020 Restricted funds £	2020 Total £	2019 Total £
Income From					
Donations and legacies	2	7,383	-	7,383	77,936
Charitable activities	3	456,319	1,000,357	1,456,676	1,326,466
Other income	2	28,375	-	28,375	-
Investments	2	7	-	7	8
Gain on disposal of fixed assets	4	1,100	-	1,100	2,000
TOTAL		<u>493,184</u>	<u>1,000,357</u>	<u>1,493,541</u>	<u>1,406,410</u>
Expenditure on					
Charitable activities	5	605,719	1,043,168	1,648,887	1,405,015
TOTAL		<u>605,719</u>	<u>1,043,168</u>	<u>1,648,887</u>	<u>1,405,015</u>
Net income/(expenditure)		(112,535)	(42,811)	(155,346)	1,395
Transfers between funds		(87,670)	87,670	-	-
Net movement in funds	8	<u>(200,205)</u>	<u>44,859</u>	<u>(155,346)</u>	<u>1,395</u>
Reconciliation of funds					
Fund balances brought forward	17	650,034	171,834	821,868	820,473
Fund balances carried forward	16,17	<u>449,829</u>	<u>216,693</u>	<u>666,522</u>	<u>821,868</u>

Incoming resources and resources expended derive from continuing operations.

The company has no other recognised gains or losses other than those passing through the statement of financial activities.

The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies act 2006.

The notes pages 22 to 49 form part of these financial statements.

Groundwork Wales
Charity Statement of financial activities for the year ended 31 March 2020
Including Income and Expenditure Account

	Note	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total £	2019 Total £
Income From					
Donations and legacies	2	7,311	-	7,311	80,148
Charitable activities	3	257,506	998,494	1,256,000	991,937
TOTAL		<u>264,817</u>	<u>998,494</u>	<u>1,263,311</u>	<u>1,072,085</u>
Expenditure on					
Charitable activities	5	310,295	1,032,379	1,342,674	1,063,964
TOTAL		<u>310,295</u>	<u>1,032,379</u>	<u>1,342,674</u>	<u>1,063,964</u>
Net income/(expenditure)		(45,478)	(33,885)	(79,363)	8,121
Transfers between funds		(87,670)	87,670	-	-
Net movement in funds	8	<u>(133,148)</u>	<u>53,785</u>	<u>(79,363)</u>	<u>8,121</u>
Reconciliation of funds					
Fund balances brought forward	17	550,058	3,551	553,609	545,488
Fund balances carried forward	16,17	<u>416,910</u>	<u>57,336</u>	<u>474,246</u>	<u>553,609</u>

Incoming resources and resources expended derive from continuing operations.

The company has no other recognised gains or losses other than those passing through the statement of financial activities.

The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies act 2006.

The notes pages 22 to 49 form part of these financial statements.

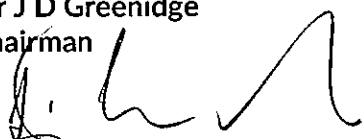
Groundwork Wales

Consolidated Balance sheet at 31 March 2020

<i>Company number 03577896</i>	Note	2020	2020	2019	2019
		£	£	£	£
Fixed assets					
Intangible assets	9		5,474		6,872
Tangible assets	10		183,045		200,995
			<u>188,519</u>		<u>207,867</u>
Current assets					
Stock		7,757		7,407	
Debtors	12	284,936		298,835	
Cash at bank		457,716		514,067	
		<u>750,409</u>		<u>820,309</u>	
Creditors: amounts falling due within one year	13	(272,406)		(206,308)	
Net current assets			478,003		614,001
Net assets			<u>666,522</u>		<u>821,868</u>
Reserves					
Unrestricted funds:					
General Funds	17		419,829		600,034
Designated funds	17		30,000		50,000
Restricted funds	17		216,693		171,834
			<u>666,522</u>		<u>821,868</u>

These finance statements were approved by the Board of trustees and authorised for issue on and were signed on its behalf by:

Mr J D Greenidge
Chairman



The notes pages 22 to 49 form part of these financial statements.

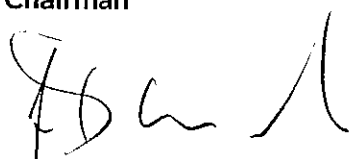
Groundwork Wales

Charity Balance sheet at 31 March 2020

<i>Company number 03577896</i>	Note	2020	2020	2019	2019
		£	£	£	£
Fixed assets					
Tangible assets	10		17,121		25,572
Current assets					
Debtors	12	313,522		449,047	
Cash at bank		388,270		229,019	
		<u>701,792</u>		<u>678,066</u>	
Creditors: amounts falling due within one year	13	(244,667)		(150,029)	
Net current assets			457,125		528,037
Net assets			<u>474,246</u>		<u>553,609</u>
Reserves					
Unrestricted funds:					
General Funds	17		416,910		550,058
Restricted funds	17		57,336		3,551
			<u>474,246</u>		<u>553,609</u>

These finance statements were approved by the Board of trustees and authorised for issue on and were signed on its behalf by:

Mr J D Greenidge
Chairman



The notes pages 22 to 49 form part of these financial statements.

Groundwork Wales

Cash flow statement for the year ended 31 March 2020

	Note	2019/20 £	2018/19 £
Cash flow from operating activities			
Net cash provided by operating activities	21	(54,758)	(40,528)
Cash flows from investing activities			
Dividends, interest and rents from investments		7	8
Purchase of property, plant and equipment		(2,700)	(59,849)
Purchase of intangibles		-	(6,988)
Proceeds from the disposal of fixed assets		1,100	2,000
Net cash provided by investment activities		<u>(1,593)</u>	<u>(66,829)</u>
Change in cash and cash equivalents in the reporting period		(56,351)	(105,357)
Cash and cash equivalents at the beginning of the reporting period		514,067	619,424
Cash and cash equivalents at the end of the reporting period		<u>457,716</u>	<u>514,067</u>

The notes pages 22 to 49 form part of these financial statements.

1 Charity Information

Groundwork Wales is a private company limited by guarantee incorporated in England and Wales. The registered office is Ty Mynyddislwyn, Bryn Road, Pontllanfraith, Blackwood, Gwent, NP12 2PH.

Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of Preparation

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 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). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention.

No separate cash flow statement has been presented for the charity itself as the charity has taken advantage of the exemptions in paragraph 1.12 of FRS 102.

Rounding

Figures contained in the financial statements have been rounded to the nearest pound.

Presentation of the accounts on a going concern basis

The charity reported a net unrestricted outflow of £133,148 for the year. The group reported a net unrestricted outflow of £200,205. This charity has sufficient free reserves and is monitoring results on a frequent basis. The trustees are of the view that on this basis the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

Basis of consolidation

The financial statements represent the consolidated financial position of the group. This comprises Groundwork Caerphilly and GC Enterprises (Wales) Limited. Groundwork Caerphilly is a subsidiary of Groundwork Wales and Groundwork Caerphilly own 100% of the share capital of GC Enterprises (Wales) Limited, which is now dormant.

The financial statements are consolidated on a line-by-line basis and cover the consolidated financial position and transactions of all companies controlled by the charity from the date of acquisition. All intra group transactions are eliminated on consolidation.

Fund accounting

Unrestricted funds are available for use at the discretion of the directors in furtherance of the Trust's general objectives.

Restricted funds are funds subject to specific restrictive conditions imposed by the terms of the grant or funding body.

Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income and grants are included in incoming resources when receivable, except as follows: -

- When donors specify that the grants must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- When donors specify that grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Allocation of expenditure

Expenditure incurred by the charity in the year has been split between restricted and unrestricted funds. Costs have been analysed between direct charitable expenditure, fundraising and publicity and the administration and management of the charity. Expenditure relating directly to a cost category has been charged to that account. Expenditure, which includes more than one cost category, has been apportioned on a reasonable, justifiable and consistent basis to the categories involved. Committed expenditure that has yet to be invoiced is, in line with best accounting practice, not recognised in these accounts. It is intended that such expenditure will be funded by future income flows.

Charitable activities

This includes all expenditure directly related to the aims of the charity as follows:

- To promote the conservation, protection and improvement of the physical and natural environment.
- To provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living, working and visiting in the area.
- To advance public education in environmental matters and in the ways of better conserving, protecting and improving the environment.

Governance costs

These costs include the costs of governance arrangements, which relate to the general running of Groundwork Wales as opposed to the direct management functions inherent in generating funds, service delivery and programme of project work. These include such items as external audit, legal advice for trustees and costs associated with constitutional and statutory requirements.

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure has been allocated to management and administration of the trust, where it relates to the management of the trust's assets, organisational administration and compliance with constitutional and statutory requirements.

Resources expended are recognised in the period in which they are incurred.

Intangible assets

Intangible assets are capitalised at costs and amortised over its expected useful life. The amortisation rate used is 20% on cost.

Tangible fixed assets

Fixed assets are capitalised at cost. Depreciation is calculated so that the cost of tangible assets or valuation less any residual value is written off over their estimated useful lives on the following basis: -

Computers	33.33% on cost
Office Equipment	20% on cost
Plant and Machinery	20% on cost
Buildings	2.5% on cost
Land	0% on cost
Motor Vehicles	20% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price after taking into account all further costs and excess stocks that are slow moving.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Capital grants received

Grants that relate to capital expenditure on specific projects are treated as restricted funds that are charged to the income and expenditure account at acquisition. This treatment is due to the nature of the funding as the grants are received to provide equipment to specifically run the projects and services.

Operating lease costs

The rentals under operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged against profit as incurred.

Liabilities policy

Liabilities are recognised in the Statement of Financial Activities as they become payable.

Pensions

The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against unrestricted funds.

Taxation

As a registered charity, Groundwork Wales is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

Critical accounting estimates and judgements

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Incoming resources

Incoming resources from generated funds

	2020 Unrestricted £	2020 Restricted £	2020 Total £	2019 Total £
Voluntary income				
Group				
Donations	7,383	-	7,383	77,936
	<hr/> 7,383	<hr/> -	<hr/> 7,383	<hr/> 77,936
Charity				
Donations	7,311	-	7,311	80,148
	<hr/> 7,311	<hr/> -	<hr/> 7,311	<hr/> 80,148
Other trading activities				
Group				
Trading company income	28,375	-	28,375	-
	<hr/> 28,375	<hr/> -	<hr/> 28,375	<hr/> -
Investments				
Group				
Bank interest	7	-	7	8
	<hr/> 7	<hr/> -	<hr/> 7	<hr/> 8

3 Incoming resources

Incoming resources from charitable activities provided by:

	2020 Unrestricted	2020 Restricted	2020 Total	2019 Total £
<u>Group</u>	£	£	£	
Welsh Assembly	2,700	457,206	459,906	300,000
Public Agencies and National Charities	164,271	137,478	301,749	110,505
Local Authority	35,000	169,570	204,570	157,683
European Union	-	-	-	43,310
Private Sector	40,390	234,240	274,630	714,968
Other income	213,958	1,863	215,821	-
	<u>456,319</u>	<u>1,000,357</u>	<u>1,456,676</u>	<u>1,326,466</u>

	2020 Unrestricted	2020 Restricted	2020 Total	2019 Total
<u>Charity</u>	£	£	£	£
Welsh Assembly	-	457,206	457,206	300,000
Public Agencies and National Charities	164,271	137,478	301,749	45,204
Local Authority	35,000	169,570	204,570	140,440
European Union	-	-	-	43,310
Private Sector	40,390	234,240	274,630	462,983
Other income	17,845	-	17,845	-
	<u>257,506</u>	<u>998,494</u>	<u>1,256,000</u>	<u>991,937</u>

4 Other income

	2020 Unrestricted	2020 Restricted	2020 Total	2019 Total
<u>Group</u>	£	£	£	£
Disposal of fixed assets	1,100	-	1,100	2,000
	<u>1,100</u>	<u>-</u>	<u>1,100</u>	<u>2,000</u>

5 Charitable activities

Expenditure on projects related to the following activities:

<u>Group</u>	2020 Total £	2019 Total £
Direct costs		
Staff Costs	730,282	622,279
Volunteer Costs	10,319	7,707
Material & direct purchases	96,359	59,061
Subcontractors & Consultancy	276,556	183,395
Training and Recruitment	45,579	16,851
Project Travel and Transport	44,413	137,336
Project Publicity	7,415	12,295
Trainee allowances and expenses	12,012	10,442
Professional Fees	87,588	85,428
Federation membership	-	5,000
Administration & Sundry	21,030	7,120
Communications & IT	9,483	3,696
Motor, travel & expenses	2,149	776
Premises expenses	13,423	14,697
Depreciation	-	1,210
	<u>1,356,608</u>	<u>1,167,293</u>
Support costs		
Staff Costs	149,160	96,229
Recruitment & Training	1,689	863
Premises Expenses	42,980	56,315
Depreciation	22,049	14,372
Motor Travel and Expenses	12,738	3,141
Legal and professional	5,020	7,135
Communications & IT	11,651	17,631
Administration & Sundry	18,120	14,225
Governance	28,872	26,927
	<u>292,279</u>	<u>237,722</u>
Total	<u>1,648,887</u>	<u>1,405,015</u>
Analysed between:		
Unrestricted	605,719	908,776
Restricted	1,043,168	496,239
	<u>1,648,887</u>	<u>1,405,015</u>

5 Charitable activities (continued)

Expenditure on projects related to the following activities:

	2020 Total £	2019 Total £
Charity		
Direct costs		
Staff Costs	579,379	465,471
Volunteer Costs	8,665	5,968
Material & direct purchases	50,551	55,466
Subcontractors & Consultancy	276,556	183,395
Training and Recruitment	45,479	11,927
Project Travel and Transport	38,119	78,107
Project Publicity	6,631	11,766
Trainee allowances and expenses	12,012	10,442
Professional fees	87,588	85,428
Communications & IT	8,601	3,546
Administration & Sundry	7,441	6,857
Premises Expenses	9,365	14,257
Motor Travel and Expenses	1,552	776
Federation membership	-	5,000
	<u>1,131,939</u>	<u>938,406</u>
Support costs		
Staff Costs	120,707	62,423
Recruitment & Training	1,689	838
Premises Expenses	22,355	18,831
Motor Travel and Expenses	3,189	(488)
Legal and professional	3,341	1,684
Communications & IT	9,624	9,904
Administration & Sundry	17,453	6,441
Depreciation	8,451	2,833
Governance	23,926	23,092
	<u>210,735</u>	<u>125,558</u>
Total	<u>1,342,674</u>	<u>1,063,964</u>
Analysed between:		
Unrestricted	310,295	574,703
Restricted	1,032,379	489,261
	<u>1,342,674</u>	<u>1,063,964</u>

The charity paid grants to the following institutions during the period:

	2020 £	2019 £
Groundwork North Wales	223,878	150,000
Keep Wales Tidy	-	300
SE Wales River Trust	18,413	-
	<u>242,291</u>	<u>150,300</u>

6 Employees

The average monthly number of employees during the year was as follows.

<u>Group</u>	2020	2019
Direct charitable	33	26
Management and admin	10	10
	<u>43</u>	<u>36</u>

Charity

Direct charitable	23	16
Management and admin	9	9
	<u>32</u>	<u>25</u>

The aggregated cost of these persons was as follows.

<u>Group</u>	2020 £	2019 £
Wages and salaries	782,713	699,756
Social security costs	58,508	50,570
Pension costs	38,322	25,762
	<u>879,543</u>	<u>776,088</u>

Charity

Wages and salaries	611,718	515,648
Social security costs	54,855	46,370
Pension costs	33,615	23,455
	<u>700,188</u>	<u>585,473</u>

The emoluments of employees (excluding pension contributions) over £60,000 per annum are disclosed in £10,000 bands as follows.

	2020 No.	2019 No.
£60,000 - £70,000	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

Key management personnel

The key senior management personnel of the charity are as detailed in the Trustees report with a total cost in 2020 of £194,676 (2019: £259,822). Total contributions under defined contribution schemes on behalf of these higher paid employees were £9,771 (2019: £10,724).

7 Transactions with trustees

No trustees received any remuneration for services performed on behalf of the charity.

No trustee expenses were paid during the current or previous year.

8 Net incoming resources

<u>Group</u>	2020 £	2019 £
Net incoming resources for the year is stated after charging:		
Auditor's remuneration:	9,300	9,350
Depreciation of owned fixed assets	20,651	15,466
Operating lease rentals	1,656	14,224
Amortisation	1,398	116
	<u> </u>	<u> </u>
 <u>Charity</u>		
Net incoming resources for the year is stated after charging:		
Auditor's remuneration:	5,800	5,850
Operating lease rentals	1,656	1,185
Depreciation of owned fixed assets	8,451	-
	<u> </u>	<u> </u>

9 Intangible fixed assets

<u>Group</u>	IT equipment £
<i>Cost</i>	
At 1 April 2019	6,988
At 31 March 2020	<u>6,988</u>
<i>Amortisation</i>	
At 1 April 2019	116
Additions	1,398
At 31 March 2020	<u>1,514</u>
<i>Net book value</i>	
At 31 March 2020	<u>5,474</u>
<i>Net book value</i>	
At 31 March 2019	<u>6,872</u>

10 Tangible assets

<u>Group</u>	Plant and machinery	Motor vehicles	Buildings	Total
<i>Cost or Valuation</i>				
At 1 April 2019	142,534	62,577	150,000	355,111
Additions	2,700	-	-	2,700
Disposals	(86,680)	(34,054)	-	(120,734)
At 31 March 2020	58,554	28,523	150,000	237,077
<i>Depreciation</i>				
At 1 April 2019	100,472	38,644	15,000	154,116
Charged for the year	14,481	4,295	1,875	20,651
Disposals	(86,681)	(34,054)	-	(120,735)
At 31 March 2020	28,272	8,885	16,875	54,032
<i>Net book value</i>				
At 31 March 2020	30,282	19,638	133,125	183,045
At 31 March 2019	42,062	23,933	135,000	200,995

<u>Charity</u>	Plant and machinery	Total
<i>Cost or Valuation</i>		
At 1 April 2019	28,405	28,405
At 31 March 2020	28,405	28,405
<i>Depreciation</i>		
At 1 April 2019	2,833	2,833
Charged for the year	8,451	8,451
At 31 March 2020	11,284	11,284
<i>Net book value</i>		
At 31 March 2020	17,121	17,121
<i>Net book value</i>		
At 31 March 2019	25,572	25,572

11 Charitable Subsidiary

Groundwork Caerphilly

On 1 February 2015 the charity became a subsidiary of Groundwork Wales, Groundwork Caerphilly is a charitable company, limited by guarantee and incorporated on 14 May 1990 in England and Wales. Company number 02501792, charity number 1006811 – registered 13 December 1991. The objects of the charity are:

- To promote firstly the conservation protection and improvement of the physical and natural environment.
- To provide facilities in the interests of social welfare for recreation and leisure.
- To advance public education in environmental matters and of better ways of better conserving protecting and improving the same.

A summary of the results are shown below:

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Summary Income and Expenditure Account:		
Total income	255,268	308,706
Total expenditure	(331,230)	(315,434)
Surplus/(Deficit) for the financial year	<u>(75,962)</u>	<u>(6,728)</u>
 Summary Balance Sheet:		
Total assets	275,934	522,284
Total liabilities	(83,538)	(253,926)
Net assets	<u>192,396</u>	<u>268,358</u>
 Restricted funds carried forward	159,356	168,282
Unrestricted funds carried forward	<u>33,040</u>	<u>100,076</u>
	<u>192,396</u>	<u>268,358</u>

12 Debtors

<u>Group</u>	2020 £	2019 £
Trade debtors	170,207	181,645
Prepayments and Accrued Income	114,729	117,190
	<hr/> 284,936	<hr/> 298,835
	<hr/>	<hr/>
<u>Charity</u>		
Trade debtors	160,581	147,011
Amounts due from group entities	55,723	195,487
Prepayments and Accrued Income	97,218	106,549
	<hr/> 313,522	<hr/> 449,047
	<hr/>	<hr/>

13 Creditors

<u>Group</u>	2020 £	2019 £
Trade Creditors	40,197	59,667
Accruals & Deferred Income	222,822	130,108
VAT	9,387	16,533
	<hr/> 272,406	<hr/> 206,308
	<hr/>	<hr/>
<u>Charity</u>		
Trade Creditors	32,561	28,927
Accruals & Deferred Income	202,719	102,409
VAT	9,387	18,693
	<hr/> 244,667	<hr/> 150,029
	<hr/>	<hr/>

14 Deferred income

Contained in the accruals and deferred balance above is deferred income in relation to performance related grants which relates to the 2019/20 financial year.

Group

	Balance at 1 April 2019 £	Transferred from deferred income £	Balance at 31 March 2020 £
Programmes	3,983	84,111	88,094

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

Charity

	Balance at 1 April 2019 £	Transferred from deferred income £	Balance at 31 March 2020 £
Programmes	2,733	85,361	88,094

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

15 Operating leases

<u>Group</u>	Land & Buildings		Other	
	2020	2019	2020	2019
	£	£	£	£
Due in 1 year	-	1,000	1,656	1,656
Due in 2-5 years	-	-	2,350	4,011
	<hr/>	<hr/>	<hr/>	<hr/>
	-	1,000	4,006	5,667
	<hr/>	<hr/>	<hr/>	<hr/>

<u>Charity</u>	Other	
	2020	2019
	£	£
Due in 1 year	1,656	1,656
Due in 2-5 years	2,350	4,011
	<hr/>	<hr/>
	4,006	5,667
	<hr/>	<hr/>

16 Analysis of net assets at 31 March 2020

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total £
Intangible & Tangible fixed assets	29,162	159,357	188,519
Net current assets	420,667	57,336	478,003
	<u>449,829</u>	<u>216,693</u>	<u>666,522</u>

Charity

Tangible fixed assets	17,121	-	17,121
Net current assets	399,789	57,336	457,125
	<u>416,910</u>	<u>57,336</u>	<u>474,246</u>

Previous year

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total £
Intangible & Tangible fixed assets	39,835	168,032	207,867
Net current assets	610,199	3,802	614,001
	<u>650,034</u>	<u>171,834</u>	<u>821,868</u>

Charity

Tangible fixed assets	25,572	-	25,572
Net current assets	524,486	3,551	528,037
	<u>550,058</u>	<u>3,551</u>	<u>553,609</u>

17 Statement of funds

Unrestricted funds

<u>Group</u>	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2020 £
General funds	600,034	491,347	(593,482)	(78,070)	419,829
Designated funds	50,000	-	(10,400)	(9,600)	30,000
At 31 March 2020	650,034	491,347	(603,882)	(87,670)	449,829

Charity

General funds	550,058	264,817	(310,295)	(87,670)	416,910
At 31 March 2020	550,058	264,817	(310,295)	(87,670)	416,910

Previous year

<u>Group</u>	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2019 £
General funds	592,245	929,418	(908,776)	(12,853)	600,034
Designated funds	50,000	-	-	-	50,000
At 31 March 2019	642,245	929,418	(908,776)	(12,853)	650,034

Charity

General funds	506,767	628,212	(574,703)	(10,218)	550,058
At 31 March 2019	506,767	628,212	(574,703)	(10,218)	550,058

17 Statement of funds (continued)

The income funds of the company included the following designated funds which have been set aside out of unrestricted funds by the Trustees in respect of providing for future building maintenance.

Designated funds

Group and charity	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2020 £
Building maintenance costs	50,000	-	(10,400)	(9,600)	30,000
At 31 March 2020	<u>50,000</u>	<u>-</u>	<u>(10,400)</u>	<u>(9,600)</u>	<u>30,000</u>

Previous year

Group and charity	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2019 £
Building maintenance costs	50,000	-	-	-	50,000
At 31 March 2019	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>

In the prior year the board have agreed to designate £50,000 in respect of providing for future building maintenance costs.

17 Statement of funds (continued)

Restricted funds

Group	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2020 £
ACT Traineeships	-	79,555	(107,215)	27,660	-
Ty Mynyddislwyn					
Environment Centre	134,997	-	(1,875)	-	133,122
Engage to change	251	1,863	(2,114)	-	
Garfield Weston (Capital)	32,063	-	(6,600)	-	25,463
Garfield Weston					
(Revenue)	-	10,000	(10,000)	-	-
Healthy Rivers	-	26,187	(67,752)	41,565	-
NatWest Enterprise					
Officer	3,551	12,457	(15,780)	-	228
Nurture, Equip, Thrive	-	169,570	(152,461)	-	17,109
Routes to life	-	21,921	(21,177)	-	744
Sundry grants	-	-	(3,987)	3,987	-
Tesco Enablers	-	46,739	(42,505)	-	4,234
Tesco Play	-	13,600	(6,917)	-	6,683
Waste Surveys	-	104,965	(76,842)	-	28,123
WCVA – Volunteering in					
Wales	-	19,513	(25,004)	5,491	-
Welsh Government –					
Business Resilience	-	5,091	(5,091)	-	-
Welsh Government –					
ENRaW	-	327,115	(326,900)	-	215
Welsh Government –					
ESDG & VVP	-	-	(394)	394	-
Welsh Government –					
Regeneration Funding	-	125,000	(131,971)	6,971	-
Western Power	-	3,000	(3,000)	-	-
Windpower Community					
Fund	972	-	(200)	-	772
Wood 2 Work	-	33,781	(35,383)	1,602	-
At 31 March 2020	171,834	1,000,357	(1,043,168)	87,670	216,693

17 Statement of funds (continued)

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2020 £
<u>Charity</u>					
ACT Traineeships	-	79,555	(107,215)	27,660	-
Garfield Weston (Revenue)	-	10,000	(10,000)	-	-
Healthy Rivers	-	26,187	(67,752)	41,565	-
NatWest Enterprise Officer	3,551	12,457	(15,780)	-	228
Nurture, Equip, Thrive	-	169,570	(152,461)	-	17,109
Routes to life	-	21,921	(21,177)	-	744
Sundry grants	-	-	(3,987)	3,987	-
Tesco Enablers	-	46,739	(42,505)	-	4,234
Tesco Play	-	13,600	(6,917)	-	6,683
Waste Surveys	-	104,965	(76,842)	-	28,123
WCVA - Volunteering in Wales	-	19,513	(25,004)	5,491	-
Welsh Government - Business Resilience	-	5,091	(5,091)	-	-
Welsh Government - ENRaW	-	327,115	(326,900)	-	215
Welsh Government - ESDG & VVP	-	-	(394)	394	-
Welsh Government - Regeneration Funding	-	125,000	(131,971)	6,971	-
Western Power	-	3,000	(3,000)	-	-
Wood 2 Work	-	33,781	(35,383)	1,602	-
At 31 March 2020	3,551	998,494	(1,032,379)	87,670	57,336

17 Statement of funds (continued)

Restricted funds

ACT Traineeships – funding provided towards providing traineeships.

Ty Mynyddislwyn Environment Centre - This represents funding provided to purchase the property under the capital asset transfer scheme. The property is being depreciated in line with the charity's depreciation policy. Resources expended represents the depreciation charge for the year.

Engage to change - Supporting people with vocational opportunities, training and employment through to independence

Garfield Weston – grant funding provided for capital expenditure and the funding is being depreciated in line with charity's depreciation policy. Resources expended represents the depreciation charge for the year.

Healthy Rivers – funding to support the clean up of rivers. This work is now being carried out by the charity's parent charity Groundwork Wales.

NatWest Enterprise Officer - funding to employ a member of staff to offer financial literacy skills to beneficiaries.

Nurture, Equip, Thrive - This is a European funded programme which supports people to undertake health and wellbeing activity when they are off work sick, and also helps organisations to help their workforces to stay healthy and fit at work, preventing illness and supporting wellbeing.

Tesco Enablers

We continue to operate as a partner to the Tesco Bags of Help programme, which supports community groups to apply for funding raised through the sales of carrier bags.

Tesco Play - Tesco Bags of Help is funded a series of small, localised environmental conservation sessions for families and children. The sessions will be delivered on a range of community green space sites across South Wales.

Waste Surveys

We delivered a high volume of waste surveys to organisations across Wales on behalf of the Welsh Government through our partnership with Anthesis

WCVA – Volunteering in Wales

We received funding from WCVA to support volunteering throughout our programmes which enabled us to increase the number of volunteers, the quality of volunteering experience and accreditation of volunteering

Welsh Government – Business Resilience provided funds towards core costs and the purchase of equipment for staff working remotely during Covid 19 lockdown.

Welsh Government – WeCare

Our WeCare programme enables us to provide opportunities for people to participate in Green Teams, Volunteering and Education whilst also achieving accreditation. The programme supports the biodiversity and community ownership of green spaces and we work in partnership with Groundwork North Wales.

Welsh Government – Regeneration Funding

This core funding continues to support our organisation with a focus on town centre work.

Western Power - planting trees in the community.

Windpower Community Fund – grant funding provided for capital expenditure and the funding is being depreciated in line with charity's depreciation policy. Resources expended represents the depreciation charge for the year on a vehicle.

Wood 2 Work – Through our Wood2Work programme, we provide beneficiaries with positive practical work experiences with a view to moving individuals forward into apprenticeships, further training or employment.

Routes to life – We continue to run our horticultural project; providing placements for a wide range of clients and volunteers.

Caerphilly Council – continues to support Groundworks work in the borough with a grant towards projects operating to support beneficiaries and the environment

17 Statement of funds (continued)

Restricted funds

<u>Previous year</u>					
<u>Group</u>	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2019 £
Ty Mynyddislwyn					
Environment Centre	136,872	-	(1,875)	-	134,997
Garfield Weston	-	33,000	(937)	-	32,063
Windpower Community					
Fund	-	1,000	(28)	-	972
Engage to change	-	1,754	(1,503)	-	251
Routes to life	-	47,406	(45,128)	(2,278)	-
Healthy Rivers	23,356	37,259	(62,645)	2,030	-
Wood 2 Work	-	41,701	(52,212)	10,511	-
Welsh Government -					
Sustainable Play	-	-	(260)	260	-
Welsh Government -					
ESDG & VVP	-	175,000	(182,900)	7,900	-
Tesco	-	86,454	(82,325)	(4,129)	-
Tesco Play	10,500	-	(10,500)	-	-
Postcode Lottery	7,500	-	(7,500)	-	-
Western Power	-	4,620	(5,599)	979	-
Blaenau Gwent CBC	-	32,790	(30,370)	(2,420)	-
NatWest Enterprise					
Officer	-	16,008	(12,457)	-	3,551
At 31 March 2019	178,228	476,992	(496,239)	12,853	171,834

Charity

Routes to life	-	47,406	(45,128)	(2,278)	-
Healthy Rivers	20,721	39,895	(60,010)	(606)	-
Wood 2 Work	-	41,701	(52,212)	10,511	-
Welsh Government -					
Sustainable Play	-	-	(260)	260	-
Welsh Government -					
ESDG & VVP	-	175,000	(182,900)	7,900	-
Tesco	-	86,453	(82,325)	(4,128)	-
Tesco Play	10,500	-	(10,500)	-	-
Postcode Lottery	7,500	-	(7,500)	-	-
Western Power	-	4,620	(5,599)	979	-
Blaenau Gwent CBC	-	32,790	(30,370)	(2,420)	-
NatWest Enterprise					
Officer	-	16,008	(12,457)	-	3,551
At 31 March 2019	38,721	443,873	(489,261)	10,218	3,551

18. STATUS

Groundwork Wales is a company limited by guarantee, not having a share capital, exempt from the requirement to use the word 'limited' and is a registered charity. The liability of each member under the guarantee is limited to £1.

From 1 February 2015 Groundwork Caerphilly became a subsidiary of Groundwork Wales, that in turn owns 100% of the issued share capital of GC Enterprises (Wales) Limited. G C Enterprises (Wales) Limited has been dormant since 1 January 2018.

19. PENSION SCHEMES - GROUP

The group contributes to employee's own personal pension schemes. The pension cost charge represents contributions paid by the group to the individual schemes and amounted to £38,322 (2019: £25,762) during the year. At the year-end £nil (2019: £nil) was accrued in respect to contributions to the scheme.

PENSION SCHEMES - CHARITY

The Charity contributes to employee's own personal pension schemes. The pension cost charge represents contributions paid by the Charity to the individual schemes and amounted to £33,615 (2019: £23,455) during the year. At the year-end £nil (2019: £nil) was accrued in respect to contributions to the scheme.

20. RELATED PARTY TRANSACTIONS

As at 31 March 2020, Groundwork Wales owed Groundwork Caerphilly nil (2019: £10,817).

As at 31 March 2020, Groundwork Caerphilly owed the charity £55,723 (2019: £206,304).

During the year the charity was re-charged £26,875 (2019: £28,255) by Groundwork Caerphilly for expenditure made on its behalf.

During the year the charity made related party transactions with the related party Ariege Ltd. The related party nature is due to the charity having a mutual trustee in Jeff Greenidge.

During the year the charity were charged £7,854 for work performed on the Erasmus project. No amount was outstanding at the year end.

21 Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the reporting period (as per the SOFA)	(155,346)	1,395
Adjusted for:		
Dividends, interest and rents from investments	(7)	(8)
Depreciation & amortisation charges	22,049	15,582
Proceeds from the disposal of fixed assets	(1,100)	(2,000)
(Increase)/decrease in stocks	(351)	(5,637)
(Increase)/decrease in debtors	13,899	(74,479)
Increase/(decrease) in creditors	66,098	24,618
Net cash provided by operating activities	<u>(54,758)</u>	<u>(40,528)</u>

Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	457,716	514,068
	<u>457,716</u>	<u>514,068</u>

Advisors

Auditors

Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Bankers

Barclays Bank Plc
South Wales Corporate Banking Team
PO Box 674
121 Queen Street
Cardiff
CF10 2XU

The Board of Trustees

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

Appointed trustees	First appointed	Last appointed	Retired/resigned
Mr B J Davies MBE	15 March 2006		19 September 2019
Ms H F Northmore	10 September 2008		17 September 2019
Mr B Matthew	11 March 2016		
Mrs N Rees	11 March 2016		
Mr J D Greenidge	9 February 2018		
Ms K Heenan-Davies	5 December 2018		
Mr P Fiander	10 December 2018		
Ms L Barry	27 August 2020		
Mr P Robinson	10 September 2020		

Chairman

Mr J D Greenidge

Company Secretary

Ms K Stevenson

Chief Executive

Ms K Stevenson

Independent Auditor's Report to members of Groundwork Wales

Opinion

We have audited the financial statements of Groundwork Wales (the "parent charity") and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated and parent Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the group and of the parent charity's affairs as at 31 March 2020 and of the group and parent's charity's 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, incorporating the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, incorporating the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual 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 and proper accounting records have not been kept by the parent charity or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity 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 obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 14 the trustees (who are also the directors of the charitable company for the purposes of company law are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located 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 Charity'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 Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Case FCA DChA
(Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Date: 18 November 2020

Groundwork Wales
Consolidated Statement of financial activities for the year ended 31 March 2020
Including Income and Expenditure Account

	Note	2020 Unrestric ted funds £	2020 Restricted funds £	2020 Total £	2019 Total £
Income From					
Donations and legacies	2	7,383	-	7,383	77,936
Charitable activities	3	456,319	1,000,357	1,456,676	1,326,466
Other income	2	28,375	-	28,375	-
Investments	2	7	-	7	8
Gain on disposal of fixed assets	4	1,100	-	1,100	2,000
TOTAL		<u>493,184</u>	<u>1,000,357</u>	<u>1,493,541</u>	<u>1,406,410</u>
Expenditure on					
Charitable activities	5	605,719	1,043,168	1,648,887	1,405,015
TOTAL		<u>605,719</u>	<u>1,043,168</u>	<u>1,648,887</u>	<u>1,405,015</u>
Net income/(expenditure)		(112,535)	(42,811)	(155,346)	1,395
Transfers between funds		(87,670)	87,670	-	-
Net movement in funds	8	<u>(200,205)</u>	<u>44,859</u>	<u>(155,346)</u>	<u>1,395</u>
Reconciliation of funds					
Fund balances brought forward	17	650,034	171,834	821,868	820,473
Fund balances carried forward	16,17	<u>449,829</u>	<u>216,693</u>	<u>666,522</u>	<u>821,868</u>

Incoming resources and resources expended derive from continuing operations.

The company has no other recognised gains or losses other than those passing through the statement of financial activities.

The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies act 2006.

The notes pages 22 to 49 form part of these financial statements.