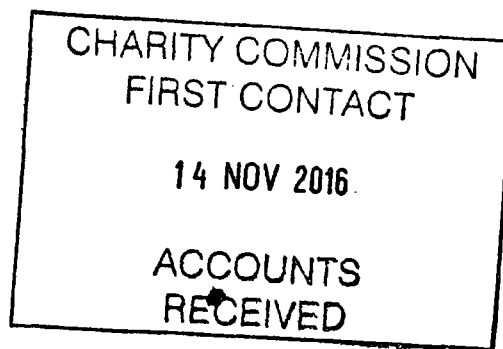


Company registration number: 3577896

Charity registration number: 1096662

GROUNDWORK WALES
(A company limited by guarantee)

**REPORT OF THE TRUSTEES &
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**



Broomfield & Alexander Limited
Chartered Accountants & Statutory Auditors
Tŷ Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

**GROUNDWORK WALES
FOR THE YEAR ENDED 31 MARCH 2016**

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**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2016 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 2015).

OBJECTIVES AND ACTIVITIES

The Focus of our Work

Our main objective for the year continued to be the community development and environmental regeneration of local communities and we have put special emphasis on developing our Business Development activities. The approach we used to develop and implement programmes concentrated on four key areas:

People	creating opportunities for people to learn new skills and take local action
Places	creating better, safer and healthier neighbourhoods
Prosperity	helping businesses and individuals fulfil their potential
Partnerships	building communities through joint action.

Vision

Our vision is of a society made up of sustainable communities, which are vibrant, healthy and safe, which respect the local and global environment and where individuals and enterprise prosper. Our purpose is to build sustainable communities in areas of need through joint environmental action.

Our values are:

- equality and diversity
- innovation and learning
- subsidiarity
- integrity and professionalism
- partnership
- sustainability

Our vision, purpose and values are underpinned by the principles of sustainable development. We implement our vision, purpose and values in partnership with communities and other organisations and deliver holistic programmes of work that address three strategic priorities:

for PEOPLE: creating opportunities for people to learn new skills and to become more active citizens for
PLACES: delivering environmental improvements that create cleaner, safer and greener neighbourhoods
for PROSPERITY: helping businesses and individuals to fulfil their potential.

Related Parties

In so far as it is complimentary to the Charity's objects, the Charity is guided by local, regional and national policy. Groundwork Wales is still committed to the Caerphilly Community Strategy by working with the Local Authorities and other voluntary sector organisations as well as continuing current operations within the Caerphilly County Borough and developing new work.

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

We review our aims, objectives and activities each year. This review looks at what we have 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 set up to help. The review also helps us to ensure our aim, objectives and activities remained focused on our stated purpose.

How the Activities Deliver Public Benefit

Our main objective and who we try to help are described above. All our charitable activities focus on social, environmental and economic regeneration and are undertaken to further our charitable purposes for public benefit.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and purposes and in planning our future activities. In particular, the trustees consider planned activities and will contribute to the aims and purposes they have set.

ACHIEVEMENTS AND PERFORMANCE

Who used and benefited from our services?

Further information about who benefits directly from our services is explained in the analysis of performance and achievements below.

The main areas of charitable activity are the provision of community development, physical activity, environmental regeneration, employability and volunteering programmes. These activities and the achievements that flow from our work are described within this report.

Strategic Overview:

The development of national, regional and local strategies in Wales delivered through broad-based strategic partnerships, a changing relationship between the public sector and the voluntary and community sectors, and the economic recession, present challenges and opportunities.

Organisation:

Our staffing resource has been structured to meet the needs of our programme delivery and core skills required to operate effectively and efficiently.

As part of our programme development, beneficiaries have been given the opportunity to achieve accreditation for the practical and technical skills training they receive whilst working with us.

The commitment and benefit of upskilling staff and volunteers assisted the Trust in being re-accredited with the Investors in People Standard in 2015.

Demonstrating our organisational environmental awareness underpins our accreditation for the Green Dragon Quality Mark.

Programmes:

We have continued to develop the people focussed approach of our work aimed at engaging people at all levels in local regeneration. We are committed to retaining a balance of work across the three key themes of People, Places and Prosperity.

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

Key achievements have been the development of our work on Sustainable Play and Go Green for Health, our national programmes and in addressing worklessness and employability through the Green Team Future Steps and Community Work Placement programmes.

G C Enterprises (Wales) Limited

G C Enterprises (Wales) Ltd was formed in 2007 as a Social Enterprise Trading Company wholly owned by Groundwork Caerphilly. Since 1999 the Community Furniture Enterprise has operated as a project by the Trust.

G C Enterprises (Wales) Ltd provides a collection and delivery service for reusable household items for the general public.

We have a showroom based at Lawn Industrial Estate at Rhymney, open to the general public to view and purchase donated furniture and other household items, as well as a shop in Pentreban Street, Caerphilly and we plan to open a pop up shop in Blackwood early in the new financial year.

The showroom is open to everyone and there is a discount scheme available to individuals on low income. The furniture and white goods recycling activities support the reduction of household goods going to landfill; contribute towards recycling targets; and provide a valuable opportunity to deliver volunteering and training activities to local people, particularly those excluded from the labour market, for example the long term unemployed or people with learning difficulties.

Operational processes and procedures are being continuously improved and the business is financially viable going forward. It has made profit and worked with increasing numbers of beneficiaries during the year and now has 8 staff.

GC Enterprises (Wales) Limited continues to thrive, increasing its profits year on year, which are utilised for community benefit.

Outputs:

Performance measurements are reported to Groundwork UK and Welsh Government.

People

Our People programmes 'aim to bring lasting benefits to local people, their environment and economy, by supporting all members in some of our most marginalised communities to raise self-esteem and foster local pride'.

We work with communities to help them bring about positive changes for themselves and their local environment by developing new skills, raising self-esteem, encouraging a sense of ownership and fostering local pride. Local regeneration partnerships receive support to act as the catalyst of engagement in this process, building capacity and increasing the confidence of individuals and communities.

The integration of our **People** work with the wider sustainable development agenda has proven very successful over the past year. Our contribution to social, economic and physical regeneration has helped to establish our credentials in the area of community regeneration and development.

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

Environmental Participation

We promote and support the development of prosperous communities, learning communities and healthier communities through environmental schemes and projects, facilitating environmental opportunities for all local people and organisations to play a central part in regeneration within Communities First areas of Caerphilly County Borough.

The programme employs 4 Environmental Participation Officers (EPO's) and their main areas of responsibility are:

1. Learning Communities

- Provide environmental opportunities that offer practical hands-on learning, training and job opportunities, including environmental accreditation and awards to local people
- Support to enable communities to lead community-based environmental projects to take action on local issues they care about
- Deliver structured outdoor learning or environmental therapeutic programmes to support community engagement

2. Prosperous Communities

- Develop environmental opportunities that can be used to help communities and people into long-term employment through environmental projects that build their social and personal skills
- Provide structured environmental projects and opportunities for communities that will enhance practical skills to provide stepping stones towards employability
- Providing energy saving advice to community members in order to reduce carbon emissions and offer advice on sustainable energy measures in the home and reduce fuel bills

3. Healthier Communities

- Support people and communities to increase their physical activity by utilising green and outdoor space
- Encourage communities to connect with and shape their local environment and places where they live
- Develop and support community food growing projects, encouraging and educating communities to grow, harvest, prepare and eat fruit and vegetables in order to support a healthier lifestyle

The Trust is active in all communities in Wales through its national and local programmes.

Sustainable Play

Outdoor Play in natural surroundings is a proven low cost/no cost means to enhance the health and wellbeing of children and families living in poverty.

Sustainable Play is a three year programme to increase and enhance the accessibility and quality of children's outdoor play experiences across Wales. The programme is delivered through three Regional Play teams based in Bridgend, Blackwood and Wrexham and aims to engage over 21,000 children and young people aged 0-18.

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

The Play teams advocate children's play through a range of activities including: reclaiming play spaces, supervising risky and free play, engaging with disabled children and young people and instilling confidence and skills in adults so they are more supportive of children and young people playing outside in their local communities. The programme employs six local unemployed young people as Play Workers.

Programme Aims and Objectives:

- 21,000 children and young people engaged into Play sessions
- 90 workshops/advisory sessions delivered to partner organisations
- 600 children and young people with disabilities engaged into Play sessions
- 90 Play events delivered for families
- 720 families attending sessions
- 6 NEET trainees recruited and trained

During the year the programme met and exceeded its aims and objectives and continues to deliver under the current contract into 2016/17. The Trust is currently seeking refunding at the end of programme.

Go Green for Health

Groundwork is piloting the Go Green4Health (GG4H) programme – a “Community Prescription” of physical activity designed to prevent ill health and improve the management of chronic conditions including: obesity; diabetes type 2; depression; cancer; Alzheimer's; and chronic heart disease.

GG4H is being piloted in three Communities First areas; Mid Valleys West (Caerphilly), Neath Town, and Wrexham Urban Villages. Through the programme, participating GPs refer patients to GG4H Community Engagement Coaches who support them to increase their physical activity in the natural environment through free or low cost activities, such as walking. All staff in participating GP practices receive programme training and potential cost benefits to Local Health Boards are being measured through the use of Smart Card Technology which records participant's physical activity.

Programme Targets

- Engage and promote being active in the outdoors to 54,000 people in the three pilot areas.
- Support 5,400 of the most inactive individuals living in those areas become more physically active.
- Educate 500 health practitioners to the benefits of being healthy in the outdoors.
- Reduce barriers to participation for individuals, including those living with chronic conditions, to best manage them through physical activity in the environment.
- Reduce the frequency of medical appointments, hospital admissions, and the use of medications.

During the year the Trust met its targets and is seeking refunding during 2016/17 via a bid to National Lottery, as well as bids to smaller funders.

Community Work Placements

Community Work Placements is a mandatory Government Scheme aimed at supporting those long term unemployed who have completed the Work Programme, through placements of 30 hours and job search support. Groundwork Wales has a third tier contract, on a payment by results basis, with A19. The prime contractor is Working Links.

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

The programme has proven exceedingly challenging, but has provided good quality work placements to significant numbers of long term unemployed, a proportion of whom have gone into full time employment as a result. The programme ends in 2016/17 and the Trust is exploring further DWP contracts, in partnership with Groundwork UK. It remains to be seen whether the current contract will break even financially, however, it has developed the skills base and capacity of the Trust.

Routes 2 Life

The programme is based on 1.5 acres of land at Pontllanfraith with the aim of the programme to provide horticultural, countryside and carpentry based opportunities to individuals who wish to learn new skills, gain qualifications and meet new people. The programme has provided opportunities for formal and informal training as a means of gaining experience in horticultural, agricultural, woodworking and traditional countryside based skills, whilst promoting the benefits of the natural environment and horticultural activities as a means of physical and mental recovery from a range of health problems.

Green Doctors

The Green Doctors programme aims to provide energy efficiency advice to individuals and families in the South Wales Valleys. The combination of changing habits and implementing physical improvements, such as loft insulation and heating controls, results in a reduction to fuel bills which helps households become more financially sustainable. As a by-product, the household's carbon footprint is also reduced.

Green Doctors have worked with over 200 centres to implement energy saving measures during the duration of the programme.

Green Teams

The programme provides people (unemployed 16-65) with a work placement that enhances skills, CV development and job search techniques. The trainees are provided with 2 opportunities for placement including Community Environmental Projects and The Furniture Revival. Training opportunities are provided to support interpersonal skills and development to improve the chances to seek gainful employment.

Community Environmental Network

The CEN programme promotes and supports the development and delivery of community environmental and maintenance projects, creating and facilitating opportunities for local people and organisations to play a central part in environmental, social and economic regeneration within the Viable and Vibrant areas of Caerphilly, Newport, Torfaen, RCT, Merthyr, Blaenau Gwent and Cardiff Local Authority Areas. This enables Groundwork to work within communities and become their environmental partner of choice. The role also raises awareness of the benefits of community cohesion, participation and delivering and facilitating community based environmental projects.

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

Places

‘Working with partners to create better, safer, healthier and more sustainable communities by enhancing the areas where people want to live, work and spend their leisure time’.

Tŷ Mynyddislwyn Environment Centre

Groundwork was successful in its bid to the BIG Lottery’s Community Asset Transfer (CAT) programme and we were able to complete the purchase of our premises, Tŷ Mynyddislwyn, in 2011. Further funding from the Welsh Assembly Government’s Communities, Facilities and Activities Programme allowed us to complete the refurbishment of the building in 2013-14.

Focus has turned to the long-term sustainability of the environment centre with the opportunities available for Groundwork.

Marketing the environment centre and informing the local community about the facilities has been a primary target. The environment centre has a unique branding with signage and marketing.

This last year has provided an opportunity to focus on the benefits that the asset can bring and we now have a number of tenants and short term hirers contributing to the charity.

Healthy Rivers

South East Wales Rivers Trust (SEWRT) and Natural Resources Wales (NRW) (formerly Environmental Agency Wales (EAW)) have undertaken walkover surveys that have identified issues that are impacting on fish populations and other aspects of the ecology on the Sirhowy River. The objective of Groundworks role is to work in partnership with South East Wales Rivers Trust and Natural Resources Wales to co-ordinate the removal or modification of barriers of fish migration. The other objective of the role is to promote the river to the local communities and groups, whilst also improving the local environment around the water way.

Prosperity

Greencare

Groundworks Greencare programme provides grounds maintenance and space improvement services to community groups, social landlords and charities within the Caerphilly County Borough and surrounding areas. The team works with the community to enhance the local surroundings.

By offering such services at a very competitive rate, the Greencare programme has been able to secure an ongoing grounds maintenance contract and is now responsible for the upkeep of three housing estates within the Caerphilly County Borough, as well as having achieved a good level of additional work through Celtic Horizons. We have continued to train the team in order to expand our services.

The Trust aims to continue to grow Greencare’s client base and increase the services it is able to offer through ongoing product and service development.

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

Green Dragon Environmental Standard

Groundwork's Green Dragon Standard supports companies in implementing Environmental Management Systems appropriate to the nature and scale of their activities. Following Groundwork's UKAS accreditation in 2013 Green Dragon continues to grow, with over 200 certified against the standard last year. Certified organisations operate in a diverse range of sectors including public administration, further and higher education, housing, construction, transport, manufacturing, tourism and food production.

Key environmental impacts covered by Green Dragon include energy, water and raw material use, business mileage, waste, pollution prevention, staff engagement and business communication.

Benefits for Green Dragon organisations include:

- Internationally recognised UKAS accreditation
- Supports companies with certification in ISO 14001, EMAS, BS8555
- Continuous improvement through stepped approach to EMS
- improved environmental performance coupled with a demonstrable commitment to the environment
- compliance with environmental legislation
- reduced business costs
- increased competitiveness

'The Green Dragon Environmental Standard enables us to ensure compliance with wide ranging environmental legislation, clearly demonstrate the carbon and cost savings from environmental improvements and demonstrate that the organisation is continually improving its environmental performance'

Welsh Government core funds Groundwork Wales through its Viable and Vibrant Places programme, enabling us to maintain as a financially viable operation. We have made significant in-roads with local authorities operating Viable and Vibrant Places schemes during the year.

We are also core funded through the Environment Directorate.

Impact 2015/16

- 828 community projects delivered
- 571 worked in partnership with organisations
- 78 people progressed to employment
- 262 businesses supported
- 43,157 adult volunteering days
- 16,437 young people volunteering days
- 802,395 sq metres of land improved/maintained
- 1,219 trees planted
- 12,612 people involved in Physical Activity

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

Partnerships

We work to develop, maintain and support partnerships with other organisations from the public, private, voluntary and community sectors at local, regional and national levels. They must fit and support the strategic direction and growth of the Trust and have a shared ethos of commitment and mutual benefit.

FINANCIAL REVIEW

Against the backdrop of increased reserves, we have developed new programmes and some contract work in order to increase our programme income. We have continued to monitor and enhance our systems within the Charity. The Trading Company has made a surplus within the financial year due to reduction in expenditure and continued hard work by staff and increased sales. The Board and Management will continue to closely monitor its progress over the coming year. The Trust's continued success for the financial year will depend on business development and obtaining funding from new and existing funding streams to work in current and new areas across Wales.

We have continued to make financial interventions during 2015/16 including:

1. Continuing to aggressively test the market in order to ensure that, where core cost savings can be made, they are.
2. Managers have a clear management plan for match funding not in place for programmes, applying full cost recovery wherever possible.
3. Continuing to develop Management and Financial skills and processes within the team.
4. Staffing restructure to remain fit for purpose

The charity reported a net deficit of £15,328. The group reported a net surplus of £13,504.

Unrestricted reserves at 31 March 2016 for the group were £530,897 (2015: £515,519) with £47,000 being designated for future operating costs and £24,302 invested in fixed assets. Restricted reserves were £141,348 (2015: £143,222) with £140,621 being invested in fixed assets.

Principal Funding Sources

The principal sources of funding for the Charity during 2015/16 included core funding from Caerphilly County Borough Council, grant income from Welsh Government's Communities First programme, Wales Government, in addition to Big Lottery Fund. The Charity is developing new and existing partnerships to seek funding from a much broader group of agencies and involve more organisations and partners to provide opportunities for a much wider range of funding in the future. We are working strategically and operationally to build partnerships across Wales.

Reserves Policy

Reserves are required to:-

- Fund working capital
- Fund income shortfalls
- Develop new functions/projects
- Underpin long term commitments
- Fund unexpected expenditure arising out of, for example, project deficits, unplanned events, emergencies

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

The trustees consider that a level of free reserves sufficient to sustain the costs of the Trust for 3 months is needed, which for the year to 31 March 2017 is budgeted at £447,230. The actual level of free reserves excluding fixed assets and designated funds at 31 March 2016 is £459,595 for the group. The unrestricted free reserves for the charity total £6,287.

The Trust has taken further steps to increase reserves by increasing business development, ensuring robust overhead recovery written into bids and developing more commission/contract work as the financial climate toughens.

Reserves will be monitored and reviewed throughout the year.

Fund by Fund Analysis of Availability of Assets

The Board of Trustees has reviewed the reserves of the Charity. The review encompassed the nature of the income and expenditure streams and the need to fulfil future commitments.

Investment Policy

The Trust does not hold any investments.

PLANS FOR FUTURE PERIODS

The Trust has continued to further develop and consolidate its strategic role in partnership with the Welsh Government, Local Authorities, local communities, voluntary and private sectors in order to bring about sustainable environmental improvements related to local needs and opportunities.

Auditors

Broomfield & Alexander Limited were appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Groundwork is a leading UK wide environmental partnership organisation which consists of the UK Federation of 19 independent trusts, which form part of the national Groundwork network, supported by Groundwork UK.

Groundwork Wales is the national charity which delivers work across Wales, having merged with Groundwork Caerphilly which is a subsidiary company.

Groundwork's national network vision is '*the kind of world we want to see*' - a society of sustainable communities which are vibrant, healthy and safe and which respect the local and global environment and where individuals and enterprise prosper.

Groundwork's national mission is '*our role in making the vision a reality*' - to transform lives and places in communities in need in the UK.

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

Governing Document

The organisation is a charitable company limited by guarantee, incorporated as a company number 3577896 and registered as a charity, number 1096662 with the Charity Commission. The charity was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association, which were amended in February 2016. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Board of Trustees

The trustees of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Board of Trustees. Under the requirements of the Memorandum and Articles of Association the members of the Board of Trustees are elected for an indefinite period and Board of Directors will determine tenure for directing.

All members of the Board of Trustees give their time voluntarily and received no benefits from the Charity. Any expenses reclaimed from the Charity are set out in note 5 to the accounts.

The Charity's work inevitably focuses upon environmental regeneration and community development. The Board of Trustees seek to ensure that the needs of the Board are appropriately reflected through the diversity of the trustee body. To enhance the potential pool of trustees the Charity has networked with local organisations who would be willing to become Board Members of the Trust and use their experience to assist the Charity.

Trustees Induction and Training

Board Members are familiar with the work of the Charity and are invited to attend any project launches and events that are held throughout the year. Governance training is offered to Board Members throughout their term of membership.

Additionally, new board members are invited and encouraged to attend an induction programme consisting of short informal meetings, project visits and formal training to familiarise themselves with the Charity and the context in which it operates. They are jointly led by the Chair of the Board of Trustees and the Chief Executive and cover:

- The obligations of the Board of Trustees
- The main documents which set out the operational framework of the charity including the Memorandum and Articles
- Resourcing and current financial position as set out in the latest published accounts
- Future plans and objectives

Trustees are also given a copy of the Charity Commission's guide the 'Essential Trustee' with the initial information and with the above documents as part of their induction programme. They are supplied with updated publications as appropriate and information in connection with the running of the Trust, such as a management overview, programmes update, people management and quality. Financial management accounts are circulated in advance of each Board Meeting which are held on a quarterly basis.

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

Risk Management

The Board of Trustees has assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the organisation and are satisfied that systems are in place to mitigate exposure to any major risks. The risk register is reviewed on a quarterly basis. Where appropriate, systems or procedures have been established to mitigate the risks the Charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of all staff, volunteers, clients and visitors to the Trust and quarterly Health and Safety Committee meetings are convened, including staff and board representatives. All procedures are periodically reviewed to ensure that they continue to meet legal requirements and the needs of the Charity.

Organisational Structure

Groundwork Wales has a Board of Trustees of up to 11 members which meet quarterly and is responsible for the strategic direction and policy of the Charity. At present the Board has 5 Co-Opted Trustees from a variety of professional backgrounds relevant to the work of the Charity, two Nominated Trustees representing Caerphilly County Borough and Groundwork UK. The Trust's Chief Executive attends all board meetings but has no voting rights.

Key Management Personnel

A scheme of delegation is in place and day to day responsibility for the provision of services rests with the Executive Director along with the support of the services of the management team. The Chief Executive is responsible for ensuring that the Charity delivers the services specified and that key performance objectives are met. The support of the management team ensures that business development, operational management, individual supervision of staff, and that the team continues to develop its skills and working practices in line with good practice. Salaries for key management personnel are benchmarked by assessing the market and comparing salaries with like organisations of national scale. There is an incremental increase process in place, which is reviewed according to length of service with satisfactory performance.

Risks

The Chief Executive Officer updates the Trusts Risk Register on a regular basis with the Board of Trustees reviewing the register at all board meetings. The Risk register provides information on the type of risk, the gross and net risk, the controls in place, the impact on the organisation and any change in scoring from the previous review. According to the risk register the risks currently considered the highest are:-

- Slow recovery in financial climate
- Significant reduction in core funding from Welsh Government and Local Authorities
- Political changes

With risks of building deterioration and IT failure being the lower scoring risks, although still requiring monitoring and controls to manage.

REFERENCE AND ADMINISTRATIVE DETAILS

Company registration number	3577896
Charity registration number	1096662
Registered office	Ty Mynyddislwyn Environment Centre Bryn Road Pontllanfraith Blackwood Gwent NP12 2BH
Chairman	B J Davies

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

Other board members	D Havard	- appointed 11 January 2016
	G Hunt	
	B Matthew	- appointed 11 March 2016
	H F Northmore	
	N Rees	- appointed 11 March 2016
	E Trier	- appointed 11 March 2016
	B G Rees	- deceased December 2015
	P Cook	- resigned 1 December 2015
	G E John	- resigned 15 May 2015
	J E Troth	- resigned 30 September 2015
Chief Executive	K Stevenson	
Secretary	P Viles	- resigned 21 September 2015
	K Stevenson	- appointed 21 September 2015
Auditors	Broomfield & Alexander Limited	
	Chartered Accountants & Statutory Auditors	
	Tŷ 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	

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016**

RESPONSIBILITIES OF THE BOARD OF TRUSTEES

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

Company law requires the trustees to prepare financial statements for each financial 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 company and the group for that period. In preparing these 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 judgments 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company and the group's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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.

Approved by the Board of Trustees on 28/10/2016 2016 and signed on its behalf by:


B J Davies (Chairman)

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF GROUNDWORK WALES
FOR THE YEAR ENDED 31 MARCH 2016**

We have audited the financial statements of Groundwork Wales for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF GROUNDWORK WALES
FOR THE YEAR ENDED 31 MARCH 2016**

Opinion on financial statements

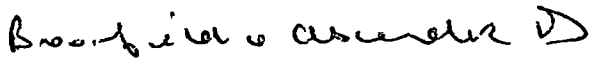
In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016, 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 (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Broomfield & Alexander Limited
Chartered Accountants & Statutory Auditors
Tŷ Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Dated: 31 October 2016

Broomfield & Alexander is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

GROUNDWORK WALES
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Unrestricted funds £	Restricted funds £	Total funds 2016 £	Total funds 2015 £
Income and endowments from:					
Charitable activities	1	413,001	1,975,604	2,388,605	1,065,658
Other trading activities:					
Acquisition of Groundwork Caerphilly & group	2	-	-	-	626,481
Trading company income	9	182,346	14,020	196,366	41,516
Investments	3	-	-	-	118
Total income and endowments		<u>595,347</u>	<u>1,989,624</u>	<u>2,584,971</u>	<u>1,733,773</u>
Expenditure on:					
Raising funds	9	181,277	14,020	195,297	33,814
Charitable activities	4	392,162	1,984,008	2,376,170	1,088,178
Total expenditure		<u>573,439</u>	<u>1,998,028</u>	<u>2,571,467</u>	<u>1,121,992</u>
Net income/(expenditure)	7	21,908	(8,404)	13,504	611,781
Transfers between funds	13,15	(6,530)	6,530	-	-
Net movement in funds		<u>15,378</u>	<u>(1,874)</u>	<u>13,504</u>	<u>-</u>
Reconciliation of Funds					
Total funds brought forward	13,15	515,519	143,222	658,741	46,960
Total funds carried forward	15,16	<u>530,897</u>	<u>141,348</u>	<u>672,245</u>	<u>658,741</u>

All of the net incoming resources are from continuing activities.

The company has no recognised gains or losses other than the above.

The notes on pages 22 - 43 form part of the financial statements

GROUNDWORK WALES
CHARITY STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Unrestricted funds £	Restricted funds £	Total funds 2016 £	Total funds 2015 £
Income and endowments from:					
Charitable activities	1	<u>87,338</u>	<u>1,556,396</u>	<u>1,643,734</u>	<u>1,085,473</u>
Total income and endowments		<u>87,338</u>	<u>1,556,396</u>	<u>1,643,734</u>	<u>1,085,473</u>
Expenditure on:					
Charitable activities	4	<u>100,936</u>	<u>1,558,126</u>	<u>1,659,062</u>	<u>1,110,818</u>
Total expenditure		<u>100,936</u>	<u>1,558,126</u>	<u>1,659,062</u>	<u>1,110,818</u>
Net income/(expenditure)	7	(13,598)	(1,730)	(15,328)	(25,345)
Transfers between funds	13,15	<u>(1,730)</u>	<u>1,730</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(15,328)</u>	<u>-</u>	<u>(15,328)</u>	<u>(25,345)</u>
Reconciliation of Funds					
Total funds brought forward	13,15	<u>21,615</u>	<u>-</u>	<u>21,615</u>	<u>46,960</u>
Total funds carried forward	15,16	<u>6,287</u>	<u>-</u>	<u>6,287</u>	<u>21,615</u>

All of the net outgoing resources are from continuing activities.

The company has no recognised gains or losses other than the above.

The notes on pages 22 - 43 form part of the financial statements

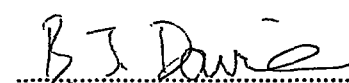
GROUNDWORK WALES
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

	Note	2016 £	2015 £
Fixed assets:			
Tangible assets	8	188,495	200,872
Current assets:			
Stock		1,215	1,342
Debtors	10	415,011	508,648
Cash at bank and in hand		649,948	567,146
		<u>1,066,174</u>	<u>1,077,136</u>
Liabilities:			
Creditors: Amounts falling due within one year	11	<u>(582,424)</u>	<u>(619,267)</u>
Net current assets		483,750	457,869
Net assets		<u>672,245</u>	<u>658,741</u>
The funds of the charity:			
Restricted income funds	13	141,348	143,222
Unrestricted income funds			
General funds	15	483,897	468,519
Designated funds	14	<u>47,000</u>	<u>47,000</u>
		<u>530,897</u>	<u>515,519</u>
Total charity funds		<u>672,245</u>	<u>658,741</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

For the financial year ended 31 March 2016, the company was entitled to exemption from audit under the Companies Act 2006, s. 477 relating to small companies and the members have not required the company to obtain an audit of its accounts for the year in question in accordance with s. 476. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements were approved by the board of directors on 28/10/2016 and signed on its behalf.

 MBE
B J Davies – Chairman

The notes on pages 22 - 43 form part of the financial statements


GROUNDWORK WALES
CHARITY BALANCE SHEET AT 31 MARCH 2016

	Note	2016 £	2015 £
Current assets:			
Debtors	10	221,167	125,717
Cash at bank and in hand		<u>523,868</u>	<u>292,436</u>
		745,035	418,153
Liabilities:			
Creditors: Amounts falling due within one year	11	<u>(738,748)</u>	<u>(396,538)</u>
Net current assets		6,287	21,615
Net assets		<u>6,287</u>	<u>21,615</u>
The funds of the charity:			
Unrestricted income funds	15	<u>6,287</u>	<u>21,615</u>
Total charity funds		<u>6,287</u>	<u>21,615</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

For the financial year ended 31 March 2016, the company was entitled to exemption from audit under the Companies Act 2006, s. 477 relating to small companies and the members have not required the company to obtain an audit of its accounts for the year in question in accordance with s. 476. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements were approved by the board of directors on 28/10/2016 and signed on its behalf.


B J Davies - Chairman

The notes on pages 22 - 43 form part of the financial statement

**GROUNDWORK WALES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**

<u>Group</u>	Note	2016 £	2016 £
Net cash provided by/(used in) operating activities	21	<u>87,748</u>	<u>748,085</u>
<i>Cash flows from investing activities:</i>			
Purchase of property plant and equipment		<u>(4,946)</u>	<u>(215,433)</u>
Net cash provided by (used in) investing activities		<u>(4,946)</u>	<u>(215,433)</u>
Change in cash and cash equivalents in the reporting period		82,802	532,652
Cash and cash equivalents at the beginning of the reporting period		567,146	34,494
Cash and cash equivalents at the end of the reporting period	21	<u>649,948</u>	<u>567,146</u>
 <u>Charity</u>			
Net cash provided by/(used in) operating activities		<u>231,432</u>	<u>257,942</u>
Change in cash and cash equivalents in the reporting period		231,432	257,942
Cash and cash equivalents at the beginning of the reporting period		292,436	34,494
Cash and cash equivalents at the end of the reporting period		<u>523,868</u>	<u>292,436</u>

The notes on pages 22 - 41 form part of the financial statements

**GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

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 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity 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).

Rounding

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

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

Transition to FRS 102

The opening fund balances at the date of transition were not required to be restated in making the transition to FRS 102. The transition date was 1 April 2014.

Presentation of the accounts on a going concern basis

The charity reported a net outflow of £15,328 for the year. The group reported a net cash inflow of £13,504. 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 Wales is a member of Groundwork Caerphilly and Groundwork Caerphilly own 100% of the share capital of GC Enterprises (Wales) Limited.

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.

Cash flow statement

The charity has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 Cash Flow Statements.

**GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

ACCOUNTING POLICIES (Continued)

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 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.

Liabilities policy

Liabilities are recognised in the financial statements as they become payable.

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.

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

ACCOUNTING POLICIES (Continued)

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.

Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Certain expenditure is directly attributable to the specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of head count on each activity. Grants offered subject to conditions which have not been met at the year end are noted as a commitment but not accrued as expenditure.

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

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
Land & Buildings	2.5% on cost
Motor Vehicles	20% on cost

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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.

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 due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

ACCOUNTING POLICIES (Continued)

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.

Hire purchase contracts and finance leases

Assets acquired under such agreements are recorded in the Balance Sheet at their fair value and as an obligation to pay future rentals at the inception of the contract. The total finance charge is not allocated to accounting periods during the lease term so as to produce a constant periodic rate of charge on the remaining balance sheet obligation, but on a straight line basis as, in the opinion of the Trustees, this represents a reasonable approximation thereto. The capital element of future payments is treated as a liability and the interest element is charged to the Income and Expenditure Account.

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.

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
<u>Group</u>	£	£	£	£
Big Lottery	-	396,537	396,537	251,146
Central government – indirect	-	396,646	396,646	145,571
European Union	26,710	167,150	193,860	43,051
Local authority	16,119	94,463	110,582	13,766
Private sector	253,802	69,025	322,827	56,130
Public agencies & national charities	116,370	148,586	264,956	81,812
Welsh Government	-	703,191	703,191	474,182
	<u>413,001</u>	<u>1,975,604</u>	<u>2,388,605</u>	<u>1,065,658</u>
<u>Charity</u>				
Big Lottery	-	380,549	380,549	243,079
Central government – indirect	-	323,391	323,391	115,517
European Union	-	24,898	24,898	6,657
Local authority	1,981	21,500	23,481	-
Private sector	53,688	50,274	103,962	21,181
Public agencies & national charities	31,669	73,878	105,547	203,535
Welsh Government	-	681,906	681,906	495,504
	<u>87,338</u>	<u>1,556,396</u>	<u>1,643,734</u>	<u>1,085,473</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. INCOME FROM CHARITABLE ACTIVITIES (continued)

Income was received for:

<u>Group</u>	Unrestricted funds £	Restricted Funds £	Total 2016 £	Total 2015 £
People	102,199	1,117,829	1,220,028	466,730
Places	13,974	154,583	168,557	32,366
Prosperity	283,624	323,391	607,015	165,316
Partnership	9,309	306,650	315,959	390,177
Other	3,895	73,151	77,046	11,069
	<u>413,001</u>	<u>1,975,604</u>	<u>2,388,605</u>	<u>1,065,658</u>

Charity

People	1,996	893,702	895,698	431,146
Places	-	88,980	88,980	17,171
Prosperity	76,033	323,391	399,424	134,944
Partnership	9,309	249,588	258,897	502,212
Other	-	735	735	-
	<u>87,338</u>	<u>1,556,396</u>	<u>1,643,734</u>	<u>1,085,473</u>

2. INCOME FROM OTHER TRADING ACTIVITIES

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Acquisition of Groundwork Caerphilly and group	-	-	-	626,481
	<u>-</u>	<u>-</u>	<u>-</u>	<u>626,481</u>

3. INCOME FROM INVESTMENTS

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Bank interest	-	-	-	118
	<u>-</u>	<u>-</u>	<u>-</u>	<u>118</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

4. EXPENDITURE ON CHARITABLE ACTIVITIES

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs				
Staff costs	155,429	907,716	1,063,145	273,440
Volunteer costs	382	42,683	43,065	35,817
Materials & direct purchases	76,524	39,720	116,244	130,561
Subcontractors & consultancy	58,187	431,640	489,827	411,757
Training and recruitment	887	20,742	21,629	7,277
Project travel and transport	13,945	161,291	175,236	34,548
Project publicity	221	17,911	18,132	20,866
Support costs	4,962	27,041	32,003	7,941
Professional fees	29,678	8,631	38,309	17,104
GW Wales	-	-	-	1,149
Other costs	2,580	16,730	19,310	26,477
Depreciation	710	1,875	2,585	425
Federation membership	-	5,100	5,100	-
	<u>343,505</u>	<u>1,681,080</u>	<u>2,024,585</u>	<u>967,362</u>
Support costs				
Staff costs	8,745	215,404	224,149	76,453
Recruitment and training	34	4,806	4,840	177
Depreciation	5,636	-	5,636	694
Premises expenses	6,300	27,796	34,096	2,922
Motor and travel expenses	(73)	4,407	4,334	2,299
Legal and professional	53	1,186	1,239	13,553
Communications & IT, and equipment	4,125	24,138	28,263	8,935
Promotion and advertisement	7	722	729	3
Administration & sundry	22,371	15,847	38,218	10,264
Governance	1,459	8,622	10,081	5,516
	<u>48,657</u>	<u>302,928</u>	<u>351,585</u>	<u>120,816</u>
TOTAL	<u>392,162</u>	<u>1,984,008</u>	<u>2,376,170</u>	<u>1,088,178</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

4. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

<u>Charity</u>	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs				
Staff costs	41,751	640,458	682,209	221,831
Volunteer costs	-	34,905	34,905	32,381
Materials & direct purchases	230	25,198	25,428	110,774
Subcontractors & consultancy	2,420	428,340	430,760	553,302
Training and recruitment	-	10,157	10,157	5,211
Project travel and transport	2,652	107,168	109,820	25,878
Project publicity	-	17,779	17,779	20,436
Support costs	2,332	26,691	29,023	7,349
Professional fees	29,678	4,220	33,898	16,996
Federation membership	-	5,100	5,100	-
Other costs	-	6,371	6,371	25,908
	<u>79,063</u>	<u>1,306,387</u>	<u>1,385,450</u>	<u>1,020,066</u>
Support costs				
Staff costs	8,745	215,404	224,149	58,745
Recruitment and training	-	4,684	4,684	-
Premises expenses	-	5,459	5,459	-
Motor travel and expenses	-	4,667	4,667	-
Promotion and advertisement	-	696	696	-
Motor and travel expenses	-	-	-	1,325
Legal and professional	-	1,000	1,000	13,335
Communications & IT, and equipment	-	9,513	9,513	5,959
Administration & sundry	13,128	6,866	19,994	7,138
Governance	-	3,450	3,450	4,250
	<u>21,873</u>	<u>251,739</u>	<u>273,612</u>	<u>90,752</u>
TOTAL	<u>100,936</u>	<u>1,558,126</u>	<u>1,659,062</u>	<u>1,110,818</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

4. EXPENDITURE ON CHARITABLE ACTIVITIES (Continued)

Group

Expenditure:

	Unrestricted funds £	Restricted Funds £	Total 2016 £	Total 2015 £
People	19,760	1,219,078	1,238,838	480,689
Places	8,827	148,091	156,918	29,383
Prosperity	363,575	323,391	686,966	189,844
Partnership	-	293,448	293,448	388,262
	<u>392,162</u>	<u>1,984,008</u>	<u>2,376,170</u>	<u>1,088,178</u>

Expenditure on projects comprised:

	Direct cost of activities £	Support & Governance costs £	Total 2016 £	Total 2015 £
People	1,101,569	117,346	1,218,915	480,689
Places	157,802	10,435	168,237	29,383
Prosperity	647,732	47,838	695,570	189,844
Partnerships	117,482	175,966	293,448	388,262
	<u>2,024,585</u>	<u>351,585</u>	<u>2,376,170</u>	<u>1,088,178</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

4. EXPENDITURE ON CHARITABLE ACTIVITIES (Continued)

Charity

Expenditure:

	Unrestricted funds £	Restricted Funds £	Total 2016 £	Total 2015 £
People	5,511	905,755	911,266	430,085
Places	-	79,392	79,392	17,454
Prosperity	95,425	323,391	418,816	161,067
Partnership	-	249,588	249,588	502,212
	<u>100,936</u>	<u>1,558,126</u>	<u>1,659,062</u>	<u>1,110,818</u>

Expenditure on projects comprised:

	Direct cost of activities £	Support & Governance costs £	Total 2016 £	Total 2015 £
People	786,782	104,561	891,343	430,085
Places	84,711	6,000	90,711	17,454
Prosperity	396,475	30,945	427,420	161,067
Partnerships	117,482	132,106	249,588	502,212
	<u>1,385,450</u>	<u>273,612</u>	<u>1,659,062</u>	<u>1,110,818</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

5. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	2016 Total £	2015 Total £
<u>Charity</u>		
Salaries and wages	805,876	256,712
Social security costs	62,598	21,490
Staff pension costs	26,911	2,374
	<u>895,385</u>	<u>280,576</u>

The number of employees whose emoluments as defined for taxation purposes amounted to a rate of over £60,000 in the year was as follows:

	2016 No.	2015 No.
£60,000 - £69,999	<u>1</u>	<u>-</u>
	<u>1</u>	<u>-</u>

The total employer's contribution paid to defined contribution schemes for the above higher paid employee was £1,845 (2015: £ nil).

Trustees

Trustee expenses of £275 (2015: £nil) were paid to 2 trustees during the year.

Key Management Personnel

The key management personnel of the group are as detailed in the Trustees report. The total employee benefits (including salary, employer's national insurance, pension and benefits in kind) of the key management personnel of the charity were £332,146 (2015: £259,365).

The key management personnel of the charity are as detailed in the Trustees report. The total employee benefits (including salary, employer's national insurance, pension and benefits in kind) of the key management personnel of the charity were £320,786 (2015: £104,035).

Key management personnel were transferred from Groundwork Caerphilly to Groundwork Wales in the merger process of February 2015.

6. STAFF NUMBERS

The average number of employees during the year, analysed by category was;

	2016 No.	2015 No.
Direct	31	15
Management and administration of the charity	9	2
	<u>40</u>	<u>17</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

7. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2016	2015
<u>Group</u>	£	£
Staff costs	1,391,815	1,122,837
Auditors remuneration	9,400	8,700
Operating lease rentals:		
- Land & buildings	6,565	1,935
- Plant & machinery	<u>5,706</u>	<u>11,414</u>

This is stated after charging:

	2016	2015
	£	£
Charity		
Staff costs	895,385	280,576
Auditors remuneration	3,900	4,250
Operating lease rentals:		
- Land & buildings	6,565	1,935
- Plant & machinery	<u>1,395</u>	<u>7,103</u>

8. TANGIBLE FIXED ASSETS

<u>Group</u>	Plant and machinery £	Motor vehicles £	Buildings £	Total £
Cost				
At 1 April 2015	20,571	49,387	144,375	214,333
Additions	<u>2,446</u>	<u>2,500</u>	-	4,946
At 31 March 2016	<u>23,017</u>	<u>51,887</u>	<u>144,375</u>	<u>219,279</u>
Depreciation				
At 1 April 2015	2,471	9,115	1,875	13,461
Charge for year	<u>3,264</u>	<u>12,184</u>	<u>1,875</u>	17,323
At 31 March 2016	<u>5,735</u>	<u>21,299</u>	<u>3,750</u>	<u>30,784</u>
Net book value				
31 March 2016	<u>17,282</u>	<u>30,588</u>	<u>140,625</u>	<u>188,495</u>
31 March 2015	<u>18,100</u>	<u>40,272</u>	<u>142,500</u>	<u>200,872</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

9. CHARITY SUBSIDIARIES

Groundwork Caerphilly

On 1 February 2015 the charity became the sole member of Groundwork Caerphilly, 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 2016 £	Year ended 31 March 2015 £
Summary Income and Expenditure Account:		
Total income	745,507	1,073,816
Total expenditure	<u>(717,108)</u>	<u>(1,027,079)</u>
Surplus for the financial year	<u>28,399</u>	<u>46,737</u>
Summary Balance Sheet:		
Total assets	824,743	964,134
Total liabilities	<u>(180,451)</u>	<u>(348,241)</u>
Net assets	<u>644,292</u>	<u>615,893</u>
 Restricted funds carried forward	 141,348	 143,222
Unrestricted funds carried forward	<u>502,944</u>	<u>472,671</u>
	<u>644,292</u>	<u>615,893</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

9. CHARITY SUBSIDIARIES (continued)

G C Enterprises (Wales) Limited

Groundwork Caerphilly holds the entire issued share capital of 100 ordinary shares of £1 each in GC Enterprises (Wales) Limited, a company incorporated in England and Wales (company number 06296414). GC Enterprises (Wales) Limited provides collection, repair as necessary and appropriate testing of white goods and donated re-usable furniture for sale to people on benefits and low incomes.

A summary of the trading results is shown below.

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Profit & Loss Account		
Turnover	196,366	224,912
Profit on disposal of fixed assets	-	-
Cost of sales	(148,226)	(171,134)
Gross profit	48,140	53,778
Administrative expenses	(47,071)	(40,169)
Loan interest paid to Groundwork Caerphilly	(636)	(636)
Surplus for the financial year	<u>433</u>	<u>12,973</u>
Balance Sheet		
Fixed assets	23,570	30,228
Stock	1,214	1,342
Current assets	85,340	74,513
Current liabilities	(45,956)	(42,336)
Creditors due after more than 1 year	(42,402)	(42,414)
Total assets less liabilities	<u>21,766</u>	<u>21,333</u>
Reserves		
Share capital	100	100
Profit & loss reserve	<u>21,666</u>	<u>21,233</u>
	<u>21,766</u>	<u>21,333</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

10. DEBTORS

	<u>The Group</u>		<u>The Charity</u>	
	2016	2015	2016	2015
	£	£	£	£
Amounts due within one year:				
Trade debtors	220,453	436,540	105,850	75,142
Other debtors	-	14,783	-	-
Prepayments – accrued income	194,558	57,325	115,317	50,575
	<u>415,011</u>	<u>508,648</u>	<u>221,167</u>	<u>125,717</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>The Group</u>		<u>The Charity</u>	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	80,966	81,868	69,172	32,970
Intercompany	-	-	368,893	162,445
Accruals & deferred income	352,271	400,681	168,666	95,347
P.A.Y.E. and social security	24,028	24,471	18,209	14,940
VAT	46,253	37,498	34,905	16,087
Other creditors	78,906	74,749	78,903	74,749
	<u>582,424</u>	<u>619,267</u>	<u>738,748</u>	<u>396,538</u>

12. ANNUAL COMMITMENTS UNDER NON CANCELLABLE OPERATING LEASES ARE AS FOLLOWS:

	Land and buildings	Other	Land and buildings	Other
	2016	2016	2015	2015
<u>Group</u>	£	£	£	£
Fall due less than 1 year	484	9,723	1,613	11,414
Fall due within 2-5 years	-	4,925	-	10,063
	<u>484</u>	<u>14,648</u>	<u>1,613</u>	<u>21,477</u>

Charity

Fall due less than 1 year	484	9,723	1,613	7,103
Fall due within 2-5 years	-	4,925	-	10,063
	<u>484</u>	<u>14,648</u>	<u>1,613</u>	<u>17,166</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

13. RESTRICTED FUNDS

<u>Group</u>	At 1 April 2016 £	Income £	Expenditure £	Transfers £	At 31 March 2016 £
Bridgend LS (SLA)	-	20,000	(20,000)	-	-
British Gas Funding	-	14,835	(14,835)	-	-
Caerphilly CBC	-	43,860	(43,860)	-	-
CAT Project	142,496	-	(1,874)	-	140,622
CCW for trusts	-	51,874	(51,875)	1	-
CEN Officer	-	22,803	(22,803)	-	-
Communities First	-	142,258	(142,325)	67	-
Community Recharge Projects	-	444	(752)	308	-
Community Work Placements	-	323,391	(323,391)	-	-
Environment Wales Project Officer	-	17,565	(17,565)	-	-
Flexible Support Fund	-	13,231	(13,231)	-	-
Go Green for Health	-	376,116	(376,116)	-	-
Greenteam	-	1,500	(1,500)	-	-
GW Wales (T3/T0/T10)	-	249,588	(249,588)	-	-
Healthy Rivers	-	36,204	(36,204)	-	-
Healthy Villages	-	1,000	(1,000)	-	-
Intercompany	-	59,257	(59,257)	-	-
Intercompany charges	-	72,829	(72,716)	(113)	-
Lottery	-	4,408	(4,408)	-	-
R2L Skills	-	57,180	(61,718)	4,538	-
Sewcedd	-	9,612	(9,612)	-	-
Sustainable Play	-	434,047	(434,047)	-	-
Tesco Greener Living Spaces	-	27,517	(27,517)	-	-
Ty Mynyddislwyn	-	11,834	(11,834)	-	-
We Can	-	(1,729)	-	1,729	-
Youth Environment	726	-	-	-	726
	<u>143,222</u>	<u>1,989,624</u>	<u>1,998,028</u>	<u>6,530</u>	<u>141,348</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

13. RESTRICTED FUNDS (continued)

<u>Charity</u>	At 1 April 2016 £	Income £	Expenditure £	Transfers £	At 31 March 2016 £
Bridgend LS (SLA)	-	20,000	(20,000)	-	-
British Gas Funding	-	14,835	(14,835)	-	-
CCW for trusts	-	51,874	(51,875)	1	-
Community Work Placements	-	323,391	(323,391)	-	-
Go Green for Health	-	376,116	(376,116)	-	-
Greenteam	-	1,500	(1,500)	-	-
GW Wales (T3/T0/T10)	-	249,588	(249,588)	-	-
Intercompany	-	59,257	(59,257)	-	-
Sustainable Play	-	434,047	(434,047)	-	-
Tesco Greener Living Spaces	-	27,517	(27,517)	-	-
We Can	-	(1,729)	-	1,729	-
	-	<u>1,556,396</u>	<u>(1,558,126)</u>	<u>1,730</u>	-

Restricted funds are provided from various funders to carry out the objects of the charity.

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

14. DESIGNATED FUNDS – GROUP ONLY

The income funds of the company included the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2015 £	Transfers £	At 31 March 2016 £
Future operating costs	47,000	-	47,000
	<u>47,000</u>	<u>-</u>	<u>47,000</u>

It is anticipated that the designated fund will be spent within the next 12 months.

15. UNRESTRICTED FUNDS

<u>Group</u>	At 1 April 2016 £	Income £	Expenditure £	Transfers £	At 31 March 2016 £
General funds	468,519	595,347	(573,439)	(6,530)	483,897
Designated funds	47,000	-	-	-	47,000
	<u>515,519</u>	<u>595,347</u>	<u>(573,439)</u>	<u>(6,530)</u>	<u>530,897</u>

Charity

General funds	21,615	87,338	(100,936)	(1,730)	6,287
	<u>21,615</u>	<u>87,338</u>	<u>(100,936)</u>	<u>(1,730)</u>	<u>6,287</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

<u>Group</u>	Unrestricted fund £	Restricted fund £	Total £
Tangible fixed assets	47,873	140,622	188,495
Net current assets	483,024	726	483,750
	<u>530,897</u>	<u>141,348</u>	<u>672,245</u>
 <u>Charity</u>			
Net current assets	6,287	-	6,287
	<u>6,287</u>	<u>-</u>	<u>6,287</u>

17. 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 Wales became the sole member of Groundwork Caerphilly, that in turn owns 100% of the issued share capital of GC Enterprises (Wales) Limited. The results from the date of acquisition are consolidated into these financial statements.

18. PENSION SCHEMES

The Trust contributes to employee's own personal pension schemes. The pension cost charge represents contributions paid by the Trust to the individual schemes and amounted to £8,488 (2015: £2,374).

19. TAXATION

No provision has been made for taxation as the company was established for charitable purposes and as such will benefit from exemption relating to charities.

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

20. RELATED PARTY TRANSACTIONS

From 1 February 2015 the charity became a member of Groundwork Caerphilly. Groundwork Caerphilly owns 100% of the issued share capital of its trading subsidiary GC Enterprises (Wales) Limited.

The charity was owed £55,845 (2015: £25,034) by Groundwork Caerphilly at 31 March 2016, and owed £426,099 (2015: £186,839) to Groundwork Caerphilly at this date.

The charity also owed £6,347 (2015: £636) to GC Enterprises (Wales) Limited at 31 March 2016 and was owed £7710 from G C Enterprises (Wales) Ltd.

At 31 March 2015 GC Enterprises (Wales) Limited owed Groundwork Caerphilly £48,433 (2015: £47,721). Of this balance £36,414 (2015: £42,414) is considered to be due after more than one year.

As at 31 March 2016 Groundwork Caerphilly owed G C Enterprises (Wales) Ltd £100 (2015: £100).

During the year the charity was re-charged £82,578 (2015: £45,980) by Groundwork Caerphilly for expenditure made on its behalf. Groundwork Wales during the year has re-charged Groundwork Caerphilly for its share of expenditure £54,209 (2015: £920).

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

21. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

<u>Group</u>	2016	2015
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	13,504	611,781
<i>Adjustments for:</i>		
Depreciation charges	17,323	14,353
Loss/(profit) on the sale of fixed assets	-	208
(Increase)/decrease in stocks	127	(1,342)
(Increase)/decrease in debtors	93,637	(456,262)
Increase/(decrease) in creditors	(36,843)	579,347
Net cash provided by/(used in) operating activities	87,748	748,085

Analysis of Cash and Cash Equivalents

Cash in hand	649,948	567,146
Total Cash and Cash Equivalents	649,948	567,146

Charity

Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	(15,328)	(25,345)
<i>Adjustments for:</i>		
(Increase)/decrease in debtors	(95,450)	(73,331)
Increase/(decrease) in creditors	342,210	356,618
Net cash provided by/(used in) operating activities	231,432	257,942

Analysis of Cash and Cash Equivalents

Cash in hand	523,868	292,436
Total Cash and Cash Equivalents	523,868	292,436

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total funds 2015 £
Income and endowments from:			
Charitable activities	166,545	899,113	1,065,658
Other trading activities			
Acquisition of Groundwork Caerphilly & group	483,259	143,222	626,481
Trading company income	41,516	-	41,516
Investments	118	-	118
Total income and endowments	691,438	1,042,335	1,733,773
Expenditure on:			
Raising funds	33,814	-	33,814
Charitable activities	189,065	899,113	1,088,178
Total expenditure	222,879	899,113	1,121,992
Net movement in funds	468,559	143,222	611,781
Reconciliation of Funds			
Total funds brought forward	46,960	-	46,960
Total funds carried forward	515,519	143,222	658,741
 <u>Charity</u>			
Income and endowments from:			
Charitable activities	134,944	950,529	1,085,473
Total income and endowments	134,944	950,529	1,085,473
Expenditure on:			
Charitable activities	160,289	950,529	1,110,818
Total expenditure	160,289	950,529	1,110,818
Net movement in funds	(25,345)	-	(25,345)
Reconciliation of Funds			
Total funds brought forward	46,960	-	46,960
Total funds carried forward	21,615	-	21,615