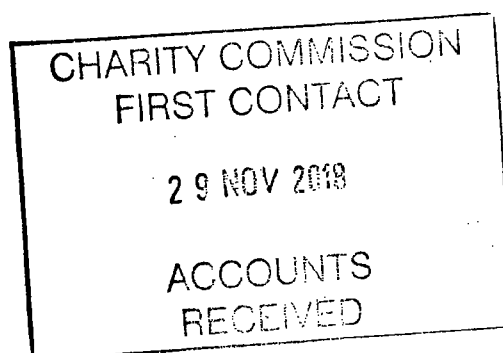


Company registration number: 3577896

Charity registration number: 1096662

GROUNDWORK WALES
(A company limited by guarantee)

**REPORT OF THE TRUSTEES &
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**



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

**GROUNDWORK WALES
FOR THE YEAR ENDED 31 MARCH 2018**

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**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

The trustees present their report and accounts for the year ended 31 March 2018.

The accounts have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply 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)" (as amended for accounting periods commencing from 1 January 2016).

The trust is a registered charity and a company limited by guarantee and is governed by its Articles of Association.

Groundwork is a leading UK wide environmental partnership organisation which consists of the UK Federation of over 30 independent trusts, which form part of the national Groundwork network, supported by Groundwork UK.

Groundwork Wales is currently the only member of Groundwork Caerphilly, Trading as Furniture Revival, which is a subsidiary, holding the asset (building) and vehicles. GC Enterprises, is a fully owned trading subsidiary owned by Groundwork Caerphilly. We operate in a group model.

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.

OBJECTIVES AND ACTIVITIES

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.

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

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.

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 remain focused on our stated purpose.

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.

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.

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.

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.

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

Organisation:

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

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 receiving the Investors in People standard in May 2018, and the Investors in Volunteers standard in June 2018.

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.

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.

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.

The trust is active in all Communities First areas in the Caerphilly Borough as well as areas which fall under the WG Viable and Vibrant Places programme around Wales.

PLACES

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

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.

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

FINANCIAL REVIEW

Against the backdrop of increased reserves, which we were able to increase through our CWP programme this year, we have continued to deliver our programmes, and built the viability of our self-funding programmes. We have continued to monitor and enhance our systems within the charity. The trading company has made a small surplus within the financial year which has been subject to some post-audit adjustment. The board and management will continue to closely monitor its progress over the coming year within an extremely challenging financial climate. 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 2017/18 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.

The charity reported a net surplus of £30,101 (2017: £520,065 surplus). The group reported a net surplus of £124,818 (2017: £34,375).

Unrestricted group reserves at 31 March 2018 were £653,210 (2017: £567,873) with £50,000 being designated for future maintenance costs to the Ty Mynyddislwyn premises and £19,740 in fixed assets. Restricted reserves were £178,228 (2017: £138,747) with £136,872 in fixed assets.

Principal funding sources

The principal sources of funding for the charity as a group during 2017/18 included core funding from Caerphilly County Borough Council, Core funding through Welsh Government ESDG and Regeneration funds, in addition to Natural Resources Wales as well as Dwr Cymru and Welsh Government's Sustainable Play and Communities First programmes. Income generated through trading include contracts with Celtic horizons, Greendragon accreditations, Tesco Bags of Help and Tesco Enablers. The group 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. New programmes are being bid for by Groundwork Wales and we have noticed a very steep decline in grant funding available, tendered opportunities as well as increased competition.

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 DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2018**

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 2018 is budgeted at £302,280. The actual level of free reserves of the charity, excluding restricted funds, fixed assets and designated funds at 31 March 2018 is £467,732.

The group has taken further steps to increase reserves by increasing business development, ensuring robust full overhead recovery is written into bids wherever possible and developing more commission/contract work. This is proving to be extremely challenging in the current financial climate.

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 although this has been considered.

REVIEW OF BUSINESS AND PLANS FOR FUTURE PERIODS

All new business for the group is being developed by Groundwork Wales. The group has continued to further develop and consolidate its strategic role in partnership with the Welsh Government, Local Authorities, local communities, and voluntary and private sectors in order to bring about sustainable environmental improvements related to local needs and opportunities.

Members of the Board of Trustees

The Board of Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 8.

Auditors

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

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated as a company on 14 May 1990 and registered as a charity (charity no. 1006811) with the Charity Commission on 13 December 1991. The company 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. The memorandum and articles was reviewed in February 2015. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

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 to serve a period of three years, after which they must be re-elected at the next Annual General Meeting.

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 4 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.

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. Refer to Groundwork Wales Risk Management.

**GROUNDWORK WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

Organisational structure

Groundwork Wales has a Board of Trustees of up to 8 members which meets quarterly and is responsible for the strategic direction and policy of the charity. At present the board has 6 co-opted trustees from a variety of professional backgrounds relevant to the work of the charity, and two nominated trustees representing Groundwork UK and Caerphilly County Borough Council. The trust's Chief Executive attends all board meetings but has no voting rights.

A scheme of delegation is in place and day to day responsibility for the provision of services rests with the group Chief Executive 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.

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
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

REFERENCE AND ADMINISTRATIVE DETAILS

Company registration number	03577896
Charity registration number	1096662
Registered office	Ty Mynyddislwyn Offices Bryn Road Pontllanfraith Blackwood Gwent NP12 2BH
Chairman	B J Davies MBE
Other board members	D Havard - resigned 26.01.18 G Hunt - resigned 27.04.18 B Matthew H F Northmore N Rees E Trier - resigned 02.01.18 J Bennett - appointed 12.05.17/resigned 30.11.17 J D Greenidge - appointed 09.02.18
Chief Executive	K Stevenson
Secretary	K Stevenson
Auditors	MHA Broomfield Alexander 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 2018**

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 (incorporating the strategic report and directors' report) and the financial statements in accordance with 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).

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 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 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

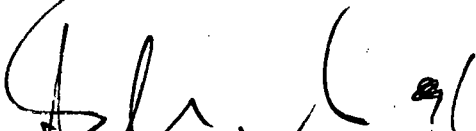
The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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'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 9/11/2018 2018 and signed on its behalf by:


JB Greenidge (Chairman)

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF GROUNDWORK WALES
FOR THE YEAR ENDED 31 MARCH 2018**

Opinion

We have audited the financial statements of Groundwork Wales (the "Charity") for the year ended 31 March 2018 which comprise the Charity and Group Statement of Financial Activities, the Group and Charity Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2018 and of the group and 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 Charities Act 2011

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 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 the parent 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.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF GROUNDWORK WALES
FOR THE YEAR ENDED 31 MARCH 2018**

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent 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 Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- we have not obtained all the information and explanations necessary for the purposes of our audit;
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees 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 they 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 parent 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 group and parent charity or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF GROUNDWORK WALES
FOR THE YEAR ENDED 31 MARCH 2018**

Our responsibilities for the audit of the financial statements

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 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 group and parent charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the group and parent charity'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 group and parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Broomfield Alexander

MHA Broomfield Alexander

Chartered Accountants & Statutory Auditors

Tŷ Derw

Lime Tree Court

Cardiff Gate Business Park

Cardiff

CF23 8AB

Dated: *21 November 2018*

MHA 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 2018

	Note	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Income and endowments from:					
Donations and legacies	3	5,035	-	5,035	-
Charitable activities	4	410,708	935,391	1,346,099	1,973,084
Trading company income	5	134,270	-	134,270	207,312
Investment income	6	82	-	82	-
Total income and endowments		550,095	935,391	1,485,486	2,180,396
Expenditure on:					
Charitable activities	8	332,997	887,355	1,220,352	1,943,006
Trading company costs	13	140,316	-	140,316	203,015
Total expenditure		473,313	887,355	1,360,668	2,146,021
Net income/(expenditure)	11	76,782	48,036	124,818	34,375
Transfer between funds	18,20	8,555	(8,555)	-	-
Total income and endowments		85,337	39,481	124,818	34,375
Reconciliation of Funds					
Total funds brought forward	18,20	567,873	138,747	706,620	672,245
Total funds carried forward	21	653,210	178,228	831,438	706,620

All of the net incoming/outgoing resources are from continuing activities.

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

The notes on pages 18 - 41 form part of the financial statements

GROUNDWORK WALES
STATEMENT OF FINANCIAL ACTIVITIES - CHARITY
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Income and endowments from:					
Donations and legacies	3	5,184	-	5,184	-
Charitable activities	4	309,334	924,702	1,234,036	1,741,633
Other	7	-	-	-	435,500
Total income and endowments		314,518	924,702	1,239,220	2,177,133
Expenditure on:					
Charitable activities	8	323,138	885,981	1,209,119	1,657,068
Total expenditure		323,138	885,981	1,209,119	1,657,068
Net movement in funds	11	(8,620)	38,721	30,101	520,065
Reconciliation of Funds					
Total funds brought forward	18,20	526,352	-	526,352	6,287
Total funds carried forward	21	517,732	38,721	556,453	526,352

All of the net incoming/outgoing resources are from continuing activities.

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

The notes on pages 18 - 41 form part of the financial statements

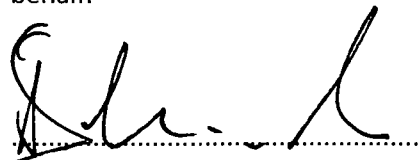
GROUNDWORK WALES
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets:			
Tangible assets	12	156,612	174,679
Current assets:			
Stock		1,770	1,500
Debtors	14	235,322	283,627
Cash at bank and in hand		619,425	731,399
		<u>856,517</u>	<u>1,016,526</u>
Liabilities:			
Creditors: Amounts falling due within one year	15	<u>(181,691)</u>	<u>(484,585)</u>
Net current assets		674,826	531,941
Net assets		<u>831,438</u>	<u>706,620</u>
The funds of the charity:			
Restricted income funds	18	178,228	138,747
Unrestricted income funds			
Designated funds	19	50,000	-
General funds	20	<u>603,210</u>	<u>567,873</u>
		653,210	567,873
Total charity funds		<u>831,438</u>	<u>706,620</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 2018, 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 2/11/2018 and signed on its behalf.


JD Greenidge – Chairman

The notes on pages 18 - 41 form part of the financial statements

GROUNDWORK WALES
CHARITY BALANCE SHEET AS AT 31 MARCH 2018

		2018		2017
	Note	£	£	£
Current assets:				
Debtors	14	396,280		716,947
Cash at bank and in hand		<u>285,478</u>		<u>564,539</u>
		681,758		1,281,486
Liabilities:				
Creditors: Amounts falling due within one year	15	<u>(125,305)</u>		<u>(755,134)</u>
Net current assets			556,453	526,352
Net assets			<u>556,453</u>	<u>526,352</u>
The funds of the charity:				
Restricted funds	18	38,721		-
Unrestricted income funds				
General funds	20	<u>517,732</u>		<u>526,352</u>
			<u>517,732</u>	<u>526,352</u>
Total charity funds			<u>556,453</u>	<u>526,352</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 2018, 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 9/11/2018 and signed on its behalf.


JB Greenidge - Chairman

The notes on pages 18 - 41 form part of the financial statement

**GROUNDWORK WALES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

<u>Group</u>	Note	2018 £	2017 £
Net cash provided by operating activities	26	<u>(111,706)</u>	<u>85,057</u>
<i>Cash flows from investing activities:</i>			
Dividends, interest and rents from investments		82	-
Purchase of property plant and equipment	13	<u>(350)</u>	<u>(3,606)</u>
Net cash (used in) investing activities		<u>(268)</u>	<u>(3,606)</u>
Change in cash and cash equivalents in the reporting period		(111,974)	81,451
Cash and cash equivalents at the beginning of the reporting period		731,399	649,948
Cash and cash equivalents at the end of the reporting period	26	<u>619,425</u>	<u>731,399</u>

The notes on pages 18 - 41 form part of the financial statements

**GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. 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)" (as amended for accounting periods commencing from 1 January 2016). 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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

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 £8,620 for the year. The group reported a net unrestricted inflow of £76,782. 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.

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.

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. 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 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.

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. 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.

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.

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

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.

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (Continued)

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.

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. 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.

3. DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
<u>Group</u>	£	£	£	£
Donations	5,035	-	5,035	-
	<u>5,035</u>	<u>-</u>	<u>5,035</u>	<u>-</u>
<u>Charity</u>				
Donations	5,184	-	5,184	-
	<u>5,184</u>	<u>-</u>	<u>5,184</u>	<u>-</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
<u>Group</u>	£	£	£	£
Big Lottery Fund	-	-	-	290,505
European Union	21,650	-	21,650	-
Local authority	128,930	86,612	215,542	247,281
Private sector	207,138	-	207,138	381,963
Public agencies & national charities	52,990	238,345	291,335	223,907
Welsh Government	-	610,434	610,434	829,428
	<u>410,708</u>	<u>935,391</u>	<u>1,346,099</u>	<u>1,973,084</u>
<u>Charity</u>				
Big Lottery Fund	-	-	-	290,505
European Union	21,650	-	21,650	-
Local authority	107,253	86,612	193,865	228,240
Private sector	150,107	-	150,107	359,723
Public agencies & national charities	30,324	227,656	257,980	38,520
Welsh Government	-	610,434	610,434	824,645
	<u>309,334</u>	<u>924,702</u>	<u>1,234,036</u>	<u>1,741,633</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

4. INCOME FROM CHARITABLE ACTIVITIES (continued)

Income was received for:

Group	Unrestricted funds £	Restricted Funds £	Total 2018 £	Total 2017 £
People	64,679	409,800	474,479	1,223,711
Places	11,086	175,591	186,677	106,999
Prosperity	274,057	-	274,057	258,347
Partnership	27,185	350,000	377,185	384,027
Furniture revival	33,701	-	33,701	-
	<u>410,708</u>	<u>935,391</u>	<u>1,346,099</u>	<u>1,973,084</u>

Charity

People	64,216	409,800	474,016	1,245,140
Places	7,355	164,902	172,257	51,334
Prosperity	216,296	-	216,296	97,682
Partnership	21,467	350,000	371,467	347,477
	<u>309,334</u>	<u>924,702</u>	<u>1,234,036</u>	<u>1,741,633</u>

5. INCOME FROM OTHER TRADING ACTIVITIES

Group	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Trading company income*	134,270	-	134,270	207,312
	<u>134,270</u>	<u>-</u>	<u>134,270</u>	<u>207,312</u>

*Intercompany transactions have been eliminated on consolidation

6. INVESTMENT INCOME

Group	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Bank interest	82	-	82	-
	<u>82</u>	<u>-</u>	<u>82</u>	<u>-</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

7. OTHER INCOME

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Charity</u>				
Donation of funds received from Groundwork Caerphilly	-	-	-	435,500
	-	-	-	435,500

8. EXPENDITURE ON CHARITABLE ACTIVITIES

<u>Group</u>	Total 2018 £	Total 2017 £
Direct costs		
Staff costs	501,043	771,590
Volunteer costs	2,875	35,709
Materials & direct purchases	67,223	135,373
Subcontractors & consultancy	254,697	413,711
Training and recruitment	6,196	23,233
Project travel and transport	30,378	98,128
Project publicity	10,974	22,582
Professional fees	53,196	16,694
Other costs	-	696
Depreciation	1,210	1,210
Federation membership	1,757	2,423
	929,549	1,521,349
Support costs		
Staff costs	255,702	295,619
Recruitment and training	5,480	2,514
Depreciation	10,192	6,284
Premises expenses	41,328	51,734
Motor and travel expenses	24,208	2,716
Legal and professional	852	12,020
Communications & IT, and equipment	15,279	18,303
Promotion and advertisement	2,044	560
Administration & sundry	34,005	25,047
Governance	9,700	6,860
Historical provisions written back	(107,987)	-
	290,803	421,657
TOTAL	1,220,352	1,943,006
<i>Analysed by:</i>		
Unrestricted	332,997	606,563
Restricted	887,355	1,336,443
	1,220,352	1,943,006

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

8. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

<u>Charity</u>	Total 2018 £	Total 2017 £
Direct costs		
Staff costs	472,657	676,400
Volunteer costs	2,409	32,287
Materials & direct purchases	40,956	58,517
Subcontractors & consultancy	254,228	400,280
Training and recruitment	4,587	20,076
Project travel and transport	39,186	67,825
Project publicity	10,393	21,638
Professional fees	46,696	17,407
Federation membership	1,757	2,423
Other costs	-	50
	<u>872,869</u>	<u>1,296,903</u>
Support costs		
Staff costs	255,702	295,619
Recruitment and training	5,192	2,514
Premises expenses	21,796	20,561
Motor travel and expenses	12,849	2,421
Promotion and advertisement	2,044	560
Legal and professional	852	10,072
Communications & IT, and equipment	5,391	11,224
Administration & sundry	29,074	13,232
Governance	3,350	3,960
	<u>336,250</u>	<u>360,163</u>
TOTAL	<u>1,209,119</u>	<u>1,657,066</u>
Analysed by:		
Unrestricted	323,138	396,669
Restricted	885,981	1,260,397
	<u>1,209,119</u>	<u>1,657,066</u>

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

<u>Group and charity</u>	2018 £	2017 £
Groundwork North Wales	112,790	130,061
SNAP Cymru	17,680	35,740
	<u>130,470</u>	<u>165,801</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

8. EXPENDITURE ON CHARITABLE ACTIVITIES (Continued)

<u>Group</u>	Unrestricted funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Expenditure:				
People	4,738	383,602	388,340	1,291,554
Places	13,986	141,735	155,721	67,470
Prosperity	235,578	-	235,578	182,936
Partnership	151,064	362,018	513,082	401,046
Furniture revival	35,618	-	35,618	-
Other	(107,987)	-	(107,987)	-
	<u>332,997</u>	<u>887,355</u>	<u>1,220,352</u>	<u>1,943,006</u>

	Direct cost of activities £	Support & governance costs £	Total 2018 £	Total 2017 £
Expenditure on projects comprised:				
People	302,489	85,851	388,340	1,291,554
Places	107,879	47,842	155,721	67,470
Prosperity	227,549	8,029	235,578	182,936
Partnerships	261,172	251,910	513,082	401,046
Furniture revival	30,460	5,158	35,618	-
Other	-	(107,987)	(107,987)	-
	<u>929,549</u>	<u>290,803</u>	<u>1,220,352</u>	<u>1,943,006</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

8. EXPENDITURE ON CHARITABLE ACTIVITIES (Continued)

Charity

	Unrestricted funds	Restricted Funds	Total 2018	Total 2017
Expenditure:	£	£	£	£
People	3,136	390,282	393,418	1,131,996
Places	14,062	133,681	147,743	52,134
Prosperity	214,088	-	214,088	125,459
Partnership	88,791	362,018	450,809	347,479
Furniture revival	3,061	-	3,061	-
	<u>323,138</u>	<u>885,981</u>	<u>1,209,119</u>	<u>1,657,068</u>

	Direct cost of activities	Support & governance costs	Total 2018	Total 2017
Expenditure on projects comprised:	£	£	£	£
People	300,279	93,139	393,418	1,131,996
Places	99,901	47,842	147,743	52,134
Prosperity	212,869	1,219	214,088	125,459
Partnerships	256,799	194,010	450,809	347,479
Furniture revival	3,021	40	3,061	-
	<u>872,869</u>	<u>336,250</u>	<u>1,209,119</u>	<u>1,657,068</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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

Group	2018 Total £	2017 Total £
Salaries and wages	765,658	1,056,672
Social security costs	60,029	82,452
Staff pension costs	28,332	39,425
Redundancy pay	7,277	-
	861,296	1,178,549

Charity

Salaries and wages	638,972	856,826
Social security costs	54,170	70,378
Staff pension costs	27,940	36,109
Redundancy	7,277	-
	728,359	963,313

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:

	2018 No.	2017 No.
£60,000 - £69,999	1	1
	1	1

The total employer's contribution paid to defined contribution schemes for the above higher paid employee was £2,337 (2017: £ 1,845).

Trustees

No trustee expenses were paid during the year (2017: nil).

No trustees received remuneration during the current or previous year.

Key Management Personnel

The key management personnel of the group are as detailed in the Trustees report. The total employee benefits (including gross salary, employer's national insurance, pension and benefits in kind) of the key management personnel of the charity were £237,455 (2017: £252,092).

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

10. STAFF NUMBERS

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

	2018	2017
<u>Group</u>	No.	No.
Direct	45	56
Management and administration of the charity	9	10
	<u>54</u>	<u>66</u>
 <u>Charity</u>		
Direct	24	36
Management and administration of the charity	8	9
	<u>32</u>	<u>45</u>

11. NET INCOME FOR THE YEAR

This is stated after charging:

	2018	2017
<u>Group</u>	£	£
Auditors remuneration	9,700	12,025
Depreciation of owned fixed assets	18,414	17,422
Operating lease rentals	<u>6,270</u>	<u>5,408</u>
 <u>Charity</u>		
Auditors remuneration	3,350	4,800
Operating lease rentals:	<u>13,580</u>	<u>5,408</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

12. TANGIBLE FIXED ASSETS

<u>Group</u>	Plant and machinery £	Motor vehicles £	Buildings £	Total £
Cost				
At 1 April 2017	194,487	59,672	150,000	404,159
Additions	350	-	-	350
Disposals	(89,252)	-	-	(89,252)
At 31 March 2018	<u>105,585</u>	<u>59,672</u>	<u>150,000</u>	<u>315,257</u>
Depreciation				
At 1 April 2017	177,714	40,519	11,250	229,483
Charge for year	5,226	11,313	1,875	18,414
Disposals	(89,252)	-	-	(89,252)
At 31 March 2018	<u>93,688</u>	<u>51,832</u>	<u>13,125</u>	<u>158,645</u>
Net book value				
31 March 2018	<u>11,530</u>	<u>7,287</u>	<u>136,875</u>	<u>156,612</u>
31 March 2017	<u>16,773</u>	<u>19,153</u>	<u>138,750</u>	<u>174,676</u>

Land and buildings with a carrying amount of £136,875 (2017: £138,750) have been pledged to secure borrowings of the charity. The charity is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

13. TRADING SUBSIDIARIES

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 2018 £	Year ended 31 March 2017 £
Summary Income and Expenditure Account:		
Total income	142,705	325,239
Total expenditure	(22,368)	(379,281)
Surplus/(Deficit) for the financial year	<u>120,337</u>	<u>(54,042)</u>
Statement of changes in Equity		
Balance brought forward	154,749	644,291
Profit and total comprehensive income for the period	120,337	(54,042)
Distributions to parent charity under gift aid	-	(435,500)
Balance carried forward	<u>275,086</u>	<u>154,749</u>
Summary Balance Sheet:		
Total assets	536,918	908,540
Total liabilities	(261,832)	(753,791)
Net assets	<u>275,086</u>	<u>154,749</u>
Restricted funds carried forward	139,507	138,747
Unrestricted funds carried forward	<u>135,579</u>	<u>16,002</u>
	<u>275,086</u>	<u>154,749</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

13. TRADING 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 2018 £	Year ended 31 March 2017 £
Profit & Loss Account		
Turnover	133,391	207,312
Cost of sales	(129,497)	(168,686)
Gross profit	3,894	38,626
Administrative expenses	(11,284)	(34,406)
Loan interest paid to Groundwork Caerphilly	636	(371)
(Deficit)/surplus for the financial year	<u>(6,754)</u>	<u>3,849</u>
Statement of changes in Equity		
Balance brought forward	25,615	21,766
Profit and total comprehensive income for the period	(6,754)	3,849
Distributions to parent charity under gift aid	(18,861)	-
Balance carried forward	<u>-</u>	<u>25,615</u>
Balance Sheet		
Fixed assets	-	17,248
Current assets	-	109,811
Current liabilities	-	(72,840)
Creditors due after more than 1 year	-	(28,604)
Total assets less liabilities	<u>-</u>	<u>25,615</u>
Reserves		
Share capital	100	100
Profit & loss reserves	(100)	25,515
	<u>-</u>	<u>25,615</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

14. DEBTORS

	<u>Group</u>		<u>Charity</u>	
	2018	2017	2018	2017
	£	£	£	£
Amounts due within one year:				
Trade debtors	181,005	204,717	148,722	98,342
Amounts due from group entities	-	-	205,450	581,745
Prepayments & accrued income	54,317	73,609	42,108	36,860
Other debtors	-	5,301	-	-
	<u>235,322</u>	<u>283,627</u>	<u>396,280</u>	<u>716,947</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>Group</u>		<u>Charity</u>	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	23,145	66,492	14,342	51,721
Amounts due to group undertakings	-	-	-	495,432
Accruals & deferred income	134,568	223,416	90,448	93,013
PAYE and social security	-	50,596	-	36,543
VAT	22,128	-	20,515	-
Other creditors	-	144,081	-	78,425
	<u>181,691</u>	<u>484,585</u>	<u>125,305</u>	<u>755,134</u>

Deferred Income

Contained in the accruals and deferred income balance above is deferred income in relation to performance related grants which relates to the 2017/18 financial year.

	<u>Group</u>		<u>Charity</u>	
	2018	2017	2018	2017
	£	£	£	£
Balance brought forward	145,356	210,858	51,377	129,057
Income received in the year	1,099,004	1,907,582	1,323,441	1,663,953
Released to income	(1,234,036)	(1,973,084)	(1,346,099)	(1,741,633)
Balance carried forward	<u>10,324</u>	<u>145,356</u>	<u>28,719</u>	<u>51,377</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

16. FINANCIAL INSTRUMENTS

	<u>Group</u>		<u>Charity</u>	
	2018	2017	2018	2017
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	704,795	941,417	833,293	1,245,126
Carrying amount of financial liabilities				
Measured at amortised cost	<u>94,466</u>	<u>288,632</u>	<u>130,843</u>	<u>667,213</u>

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

	<u>Land & buildings</u>		<u>Other</u>	
	2018	2017	2018	2017
	£	£	£	£
<u>Group and charity</u>				
Due within 1 year	1,000	484	1,656	4,925
Due within 2-5 years	<u>501</u>	<u>-</u>	<u>5,667</u>	<u>-</u>
	<u>1,501</u>	<u>484</u>	<u>7,323</u>	<u>4,925</u>

GROUNDWORK WALES
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FOR THE YEAR ENDED 31 MARCH 2018

18. RESTRICTED FUNDS

Group	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
CAT project	138,747	-	(1,875)	-	136,872
Communities First	-	42,842	(42,842)	-	-
Healthy rivers	-	59,339	(35,983)	-	23,356
Post Office Trust	-	2,500	(2,500)	-	-
Routes to Life	-	36,269	(36,269)	-	-
Postcode lottery	-	7,500	-	-	7,500
Sundry grants	-	12,018	(12,018)	-	-
Tesco	-	104,503	(94,003)	-	10,500
Welsh Government – ESDG & VVP	-	350,000	(350,000)	-	-
Welsh Government – Sustainable Play	-	260,434	(260,429)	5	-
Western Power	-	11,749	(11,749)	-	-
Wood to Work	-	48,236	(39,686)	(8,550)	-
	<u>138,747</u>	<u>935,391</u>	<u>(887,355)</u>	<u>(8,555)</u>	<u>178,228</u>

Charity

Communities First	-	42,842	(42,842)	-	-
Healthy rivers	-	48,650	(27,929)	-	20,721
Post Office Trust	-	2,500	(2,500)	-	-
Routes to Life	-	36,269	(36,269)	-	-
Postcode Lottery	-	7,500	-	-	7,500
Sundry grants	-	12,018	(12,018)	-	-
Tesco	-	104,503	(94,003)	-	10,500
Welsh Government – ESDG & VVP	-	350,000	(350,000)	-	-
Welsh Government – Sustainable Play	-	260,434	(260,434)	-	-
Western Power	-	11,749	(11,749)	-	-
Wood to Work	-	48,236	(48,236)	-	-
	<u>-</u>	<u>924,702</u>	<u>(885,981)</u>	<u>-</u>	<u>38,721</u>

**GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

18. RESTRICTED FUNDS (continued)

CAT project - grant received for the purchase of the property at Ty Mynyddislwyn.

Communities First - the provision to support through project work in Communities First areas of Caerphilly.

Healthy rivers - grant to support the clean up of rivers.

Post Office Trust - supports the Green Team in Torfaen area.

Routes to Life - horticultural project; provides volunteering placements for vulnerable young people and adults.

Postcode lottery - supports the Green Team in Torfaen area.

Sundry grants - small grants to fund support the various ongoing projects.

Tesco - service contract with GWUK to enable community groups to support Tesco in delivering the scheme.

Welsh Government – ESDG & VVP - funding received to cover the core costs of the charity.

Welsh Government – Sustainable Play - connecting with 0-25 year olds and their families with natural outdoor activities; making activities more playful.

Western Power - planting trees in the community.

Wood to Work - provide beneficiaries with positive practical work experiences with a view to moving individuals forward into apprenticeships, further training or employment.

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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18. RESTRICTED FUNDS (continued)

Previous year

	At 1 April 2016	Income	Expenditure	At 31 March 2017
<u>Group</u>	£	£	£	£
British Gas Energy Trust	-	19,620	(19,620)	-
Big Lottery Fund – Create your space	-	26,000	(26,000)	-
Big Lottery Fund – Go Green for Health	-	264,505	(264,505)	-
Bridges to work	-	1,867	(1,867)	-
CAT project	140,622	-	(1,875)	138,747
Communities First	-	117,809	(117,809)	-
Greencare	-	13,469	(13,469)	-
Healthy rivers	-	53,569	(53,569)	-
Smart energy	-	7,818	(7,818)	-
Sustainable play	-	477,168	(477,168)	-
Welsh Government	-	4,540	(4,540)	-
Welsh Government - CTP	-	147,477	(147,477)	-
Welsh Government - ESDG	-	200,000	(200,000)	-
Youth environment	726	-	(726)	-
	<u>141,348</u>	<u>1,333,842</u>	<u>(1,336,443)</u>	<u>138,747</u>

Charity

Big Lottery Fund - Go Green for Health	-	264,505	(264,505)	-
Big Lottery Fund - Create your space	-	26,000	(26,000)	-
Communities First	-	117,809	(117,809)	-
British Gas Energy Trust	-	19,620	(19,620)	-
Smart energy	-	7,818	(7,818)	-
Welsh Government - Sustainable Play	-	477,168	(477,168)	-
Welsh Government - ESDG	-	200,000	(200,000)	-
Welsh Government - CTP	-	147,477	(147,477)	-
	<u>-</u>	<u>1,260,397</u>	<u>(1,260,397)</u>	<u>-</u>

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

19. DESIGNATED FUNDS – GROUP ONLY – Current and previous year

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.

Group	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
Building costs	-	-	-	50,000	50,000
	-	-	-	50,000	50,000

The board have agreed to designate £50,000 in respect of providing for future building maintenance costs.

20. UNRESTRICTED FUNDS

Group	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
General funds	567,873	550,095	(473,313)	(41,445)	603,210
Designated funds	-	-	-	50,000	50,000
	567,873	550,095	(473,313)	8,555	653,210

Charity

General funds	526,352	314,518	(323,139)	-	517,732
	526,352	314,518	(323,139)	-	517,732

Previous year

Group	At 1 April 2016 £	Income £	Expenditure £	Transfers £	At 31 March 2017 £
General funds	483,897	846,554	(809,578)	47,000	567,873
Designated funds	47,000	-	-	(47,000)	-
	530,897	846,554	(809,578)	-	567,873

Charity

General funds	6,287	916,735	(396,670)	-	526,352
	6,287	916,735	(396,670)	-	526,352

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

21. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Group	Unrestricted fund £	Restricted fund £	Total £
Tangible fixed assets	19,740	136,872	156,612
Net current assets	633,470	41,356	674,826
	<u>653,210</u>	<u>178,228</u>	<u>831,438</u>

Charity

Net current Assets	517,732	38,721	556,453
	<u>517,732</u>	<u>38,721</u>	<u>556,453</u>

Previous year

Group	Unrestricted fund £	Restricted fund £	Total £
Tangible fixed assets	35,932	138,747	174,679
Net current assets	531,941	-	531,941
	<u>567,873</u>	<u>138,747</u>	<u>706,620</u>

Charity

Net current Assets	526,352	-	526,352
	<u>526,352</u>	<u>-</u>	<u>526,352</u>

22. 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.

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

23. 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 £28,332 (2017: £36,055) during the year. At the year end £nil (2017: £7,101) 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 £27,940 (2017: £32,738) during the year. At the year end £nil (2017: £10,756) was accrued in respect to contributions to the scheme.

24. RELATED PARTY TRANSACTIONS

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

The charity was owed £205,540 (2017: £577,943) by Groundwork Caerphilly at 31 March 2018, and owed £nil (2017: £450,130) to Groundwork Caerphilly at this date.

The charity also owed £nil (2017: £8,281) to GC Enterprises (Wales) Limited at 31 March 2018 and was owed £nil (2017: £3,802) from G C Enterprises (Wales) Limited.

At 31 March 2018 GC Enterprises (Wales) Limited owed Groundwork Caerphilly £nil (2017: £42,345). Of this balance £nil (2017: £28,604) is considered to be due after more than one year.

In the previous year Groundwork Wales received a donation of £435,500 from Groundwork Caerphilly. No donations were made in the year to 31 March 2018.

As at 31 March 2018 Groundwork Caerphilly owed G C Enterprises (Wales) Ltd £nil (2017: £6,265).

During the year the charity was re-charged £11,380 (2017: £186,749) by Groundwork Caerphilly for expenditure made on its behalf. Groundwork Wales during the year has re-charged Groundwork Caerphilly for its share of expenditure £nil (2017: £172,495).

25. TRANSFER OF FUNDS

On 1 January 2018, the trading subsidiary GC Enterprises Limited, transferred all its assets, liabilities, contracts and activities to Groundwork Caerphilly. This transfer included funds of £18,861.

GROUNDWORK WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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

<u>Group</u>	2018 £	2017 £
Net income/(expenditure) for the reporting period	124,818	34,375
<i>Adjustments for:</i>		
Dividends, interest and rents from investments	(82)	-
Depreciation charges	18,414	17,422
Increase in stocks	(270)	(285)
Decrease in debtors	48,306	131,384
Decrease in creditors	(302,892)	(97,839)
Net cash provided by/(used in) operating activities	(111,706)	85,057

Analysis of Cash and Cash Equivalents

Cash in hand	619,425	731,399
Total Cash and Cash Equivalents	619,425	731,399

27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total funds 2017 £
Income and endowments from:			
Charitable activities	639,242	1,333,842	1,973,084
Trading company income	207,312	-	207,312
Total income and endowments	846,554	1,333,842	2,180,396
Expenditure on:			
Charitable activities	606,563	1,336,443	1,943,006
Trading company costs	203,015	-	203,015
Total expenditure	809,578	1,336,443	2,146,021
Net movement in funds	36,976	(2,601)	34,375
Reconciliation of Funds			
Total funds brought forward	530,897	141,348	672,245
Total funds carried forward	567,873	138,747	706,620