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31 MAR 2019

Groundwork Wales

Annual Report and
Financial Statements 2018/19

CHARITY COMMISSION
FIRST CONTACT

21 NOV 2019

ACCOUNTS
RECEIVED

Groundwork Wales

Charity registration no. 1096662
Company registration no. 3577896

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

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About Groundwork Wales

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

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

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

Groundwork harnesses the passion, skills and experience of 20 employees and 8 volunteer trustees. In 2018/19 we delivered projects and programmes to a value of some £1.072m.

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

Chairman's statement

Wales is experiencing an extraordinary level of disruption: some of these impacts are global in nature: such as climate change; some affect the whole UK, such as our changing relationship with Europe and the increased polarisation of society, both politically and culturally; and others come from within our country e.g. the increase in the older population and health and wellbeing issues in some communities. In this turbulent climate and conscious of the communities in which we work it is even more important that community organisations such as Groundwork Wales take action to help people in our communities grow, develop and contribute to the society and economy of the country.

Overview of 2019

At Groundwork Wales we believe that there is the potential in Wales for everyone to have a decent standard of living and to gain the skills necessary to lead a healthy and fulfilled life and we are working in the heart of some of our most disadvantaged communities to do this through:

- projects that tackle environmental issues;
- bringing out the best in our young people by helping them to improve their skills and progress into further training, education or work.
- building stronger communities by working with volunteers and providing accredited training opportunities for these local people to improve the green space in their community.
- and supporting people on long-term sick due to a work limiting health condition or disability back into work.

Our Green Dragon Standard supported 107 companies to implement an Environmental Management System ensuring that each company's activities have less impact on the environment and increasing the company's profitability.

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

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

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

We also secured additional contracts and grants based on reputation and previous impact e.g. Garfield Weston.

My ambition is that Groundwork Wales evolves and improves quickly and that we do so by:

- diversifying our income channels through more commercial and corporate relationships; and
- improving our ability to evidence the impact of our work, by demonstrating that our interventions lead to changed behaviours, improved resilience and economic value to business and communities;

My promise to you as a team is that we will put the needs of communities and our collective responsibility towards our citizens first, we will be collaborative, show integrity and strive for quality in everything we do.

I look forward to this inspiring journey to changing places and changing lives.

Jeff Greenidge
Chairman

Governance

Registration numbers

Charity Registration Number 1096662
Company Registration Number 03577896

Structure

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

Board of trustees

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

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

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

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

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

Related party transactions

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

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

Our commitments

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

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

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

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

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

Objectives and public benefit

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

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

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

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

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

Strategic report for the year ended 31 March 2019

The Board of Trustees presents its report for the year ended 31 March 2019. This includes statements about our organisation (page 9), its objectives and its governance (pages 5), our financial and operational review for the year (pages 11-12), our plans for the future (pages 10) and details of our trustees, senior staff and advisers (pages 54-55).

1. Performance overview

2018/19 has been a year of positive performance for Groundwork Wales with good achievement rates against our financial and operational KPIs, high levels of staff and partner satisfaction and positive feedback from those benefiting from our programmes and services.

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

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

Our main people metrics show very positive results and staff satisfaction and commitment remain strong. We have retained our Investors in People status, reflecting the priority we put on ensuring we have a strong and committed team.

Activity highlights

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

Last year we sourced £1.072m of funding or enterprising income to support our collective mission.

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

Supporting communities through grants

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

- The **Tesco Bags of Help** programme entered a new phase during the year with the small grant scheme supplemented by a 'flagship' programme to mark the celebration of Tesco's centenary. The programme continues to meet all of its KPIs, and receive positive feedback from Tesco colleagues and community groups. Since launching in 2015, Bags of Help has provided more

than £71 million to over 23,000 local community projects. More than 30 million votes are cast by Tesco customers in each funding round, demonstrating the degree of local engagement in the programme.

Programmes

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

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

Building a better Groundwork

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

2. Our plans for the future

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

Groundwork 2020
Our mission
Changing Places, Changing Lives.
Our strategy
Between 2018 and 2020 we have collectively committed ourselves to:
improving people's prospects creating better places promoting greener living and working
by delivering projects, programmes and services with the following targets:
mobilising people of all ages to give 1 million hours of their time to social action in their local communities inspiring and supporting 100,000 young people to learn, achieve and develop as more active citizens helping 10,000 people to progress in education, access training or start work providing advice, funding and practical support to 15,000 community groups improving and helping look after 5,000 green spaces helping 150,000 people save money on their bills or stay warm and well in their homes supporting 5,000 businesses to reduce their impact on the environment or increase their

commitment to the community.

and by transforming our organisation through the following priority actions:

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

3 Financial performance

Groundwork Wales' net incoming resources for 2018/19 totalled £1.07 million (compared to £1.28million in 2017/18), with an unrestricted surplus of £43,291.

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

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

3.1 Reserves

In line with this financial strategy our trustees have agreed that we should aim to hold 3 months operating costs (circa £265,991) in liquid reserves. We believe this is appropriate for the following reasons:

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

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

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

Our level of free liquid reserves at the end of 2018/19 stands at £524k. Our general fund reserve does not include designated funds which have been set aside for specific purposes, or restricted funds which represent advance payments by funders held by Groundwork Wales pending completion of project work by Groundwork Trusts and other delivery partners.

Unrestricted reserves total £550k (2018: £506k).

Restricted funds can only be used in accordance with agreements reached with funders relating to programmes of work and therefore do not form part of the general reserves that are under the

control of the trustees. These funds will all be distributed during 2019/20. The future movements on any such restricted funds reflect the long-term nature of Groundwork Wales programme activity and in no way reflects on the organisation's financial efficiency or performance. Restricted reserve generated in-year is £3.5k (2018: £39k).

The charities subsidiary Groundwork Caerphilly reported an overall net deficit of £6,728 (2018: £120,377) as detailed in note 12.

3.2 Investments

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

We do not currently invest monies.

3.3 Grant making policy

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

3.4 Principal funding sources

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

- Private Sector Grants and contracts - £715k (£207k in 2017/18)
This includes funds provided by businesses, trusts and foundations, most notably £74k provided by Tesco to support community groups through the Bags of Help programme. Other major funders during 2018/19 included Garfield Weston, Millenium Stadium
- Public sector grants and contracts - £111k (£291k in 2017/18)
This includes funding secured to deliver programmes and services on behalf of government departments, public bodies and lottery distributors.

3.5 Expenditure on charitable objectives

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

3.6 Key Performance Indicators

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

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

Performance during 2018/19 has been positive across the majority of indicators with targets met or exceeded in terms of visibility and stakeholder satisfaction. Programme performance has been a

more mixed picture with high levels of success achieved in our grant administration activities but more challenge encountered in meeting stretching targets attached to our programmes of subcontracted delivery.

3.7 Sustainable Development Report

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

- **Areas of progress**

As a team, we continue focus on ensuring that our staff adopt more sustainable practices in the workplace, both through ongoing reinforcement of messages around electricity use and waste but also through dedicated campaigns to promote sustainable travel. We prioritise ethical suppliers in our purchasing arrangements for utilities, catering, cleaning and promotional materials. As a small team of people, we recognise the biggest impact we can make lies in the programmes we manage and the campaigns we run. Our focus is on securing funds that can help people and groups make a positive impact on the environment, but we know we can do more to provide support to all those benefiting from our programmes to act in a more environmentally responsible way. As the whole of Groundwork refreshes its strategy for the next five years we will press for a stronger focus on developing programmes and services that help communities tackle waste and climate change.

3.8 Principal risks and uncertainties

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

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

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

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

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

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

3.9 Financial instruments

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

4 Statement of trustees' responsibilities

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

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

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

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

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

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

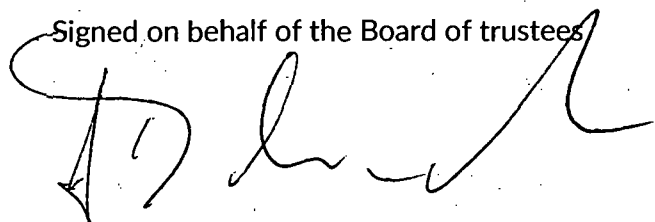
Events after the year end

There have been no events to report.

Disclosure of information by the trustees to the auditor

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

Signed on behalf of the Board of trustees

A handwritten signature in black ink, appearing to read 'J. Greenidge', written over a horizontal line.

Jeff Greenidge
Chairman

Date:

Independent Auditor's Report to members of Groundwork Wales

Opinion

We have audited the financial statements of Groundwork Wales (the "parent charity") and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the consolidated and parent Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group and of the parent charity's affairs as at 31 March 2019 and of the group and parent's charity's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate and proper accounting records have not been kept by the parent charity or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

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

Use of our report

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



Ian Thomas BSc FCA DChA
(Senior Statutory Auditor)
For and on behalf of Baldwins Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Date: 18 November 2019

Groundwork Wales
Consolidated Statement of financial activities for the year ended 31 March 2019
Including Income and Expenditure Account

	Note	2019 Unrestricted funds £	2019 Restricted funds £	2019 Total £	2018 Total Restated £
Income From					
Donations and legacies	2	70,178	7,758	77,936	5,035
Charitable activities	3	857,232	469,234	1,326,466	1,335,134
Trading company income	2	-	-	-	134,270
Investments	2	8	-	8	82
Other income	4	2,000	-	2,000	-
TOTAL		929,418	476,992	1,406,410	1,474,521
Expenditure on					
Charitable activities	6	908,776	496,239	1,405,015	1,220,352
Trading company costs	5	-	-	-	140,316
TOTAL		908,776	496,239	1,405,015	1,360,668
Net income/(expenditure)		20,642	(19,247)	1,395	113,853
Transfers between funds		(12,853)	12,853	-	-
Net movement in funds	9	7,789	(6,394)	1,395	113,853
Reconciliation of funds					
Fund balances brought forward	18	642,245	178,228	820,473	706,620
Fund balances carried forward	17,18	650,034	171,834	821,868	820,473

Incoming resources and resources expended derive from continuing operations.

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

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

The notes pages 23 to 48 form part of these financial statements.

Groundwork Wales
Charity Statement of financial activities for the year ended 31 March 2019
Including Income and Expenditure Account

	Note	2019 Unrestrict ed funds	2019 Restricted funds	2019 Total	2018 Total Restated
		£	£	£	£
Income From					
Donations and legacies	2	69,755	10,393	80,148	5,184
Charitable activities	3	558,457	433,480	991,937	1,223,071
TOTAL		628,212	443,873	1,072,085	1,228,255
Expenditure on					
Charitable activities	6	574,703	489,261	1,063,964	1,209,119
TOTAL		574,703	489,261	1,063,964	1,209,119
Net income/(expenditure)		53,509	(45,388)	8,121	19,136
Transfers between funds		(10,218)	10,218	-	-
Net movement in funds	9	43,291	(35,170)	8,121	19,136
Reconciliation of funds					
Fund balances brought forward	18	506,767	38,721	545,488	526,352
Fund balances carried forward	17.18	550,058	3,551	553,609	545,488

Incoming resources and resources expended derive from continuing operations.

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

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

The notes pages 23 to 48 form part of these financial statements.

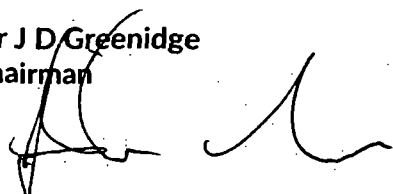
Groundwork Wales

Consolidated Balance sheet at 31 March 2019

Company number 03577896	Note	2019	2019	2018	2018
		£	£	Restated	Restated
				£	£
Fixed assets					
Intangible assets	10		6,872		-
Tangible assets	11		200,995		156,612
			<u>207,867</u>		<u>156,612</u>
Current assets					
Stock		7,407		1,770	
Debtors	13	298,835		224,357	
Cash at bank		514,067		619,425	
		<u>820,309</u>		<u>845,552</u>	
Creditors: amounts falling due within one year	14	(206,308)		(181,691)	
Net current assets			<u>614,001</u>		<u>663,861</u>
Net assets			<u>821,868</u>		<u>820,473</u>
Reserves					
Unrestricted funds:					
General Funds	18		600,034		592,245
Designated funds	18		50,000		50,000
Restricted funds	18		171,834		178,228
			<u>821,868</u>		<u>820,473</u>

These finance statements were approved by the Board of trustees and authorised for issue on 18 November 2019 and were signed on its behalf by:

Mr J D Greenidge
Chairman



The notes pages 23 to 48 form part of these financial statements.

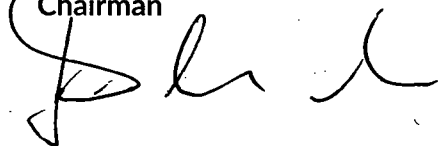
Groundwork Wales

Charity Balance sheet at 31 March 2019

<i>Company number 03577896</i>	Note	2019 £	2019 £	2018 Restated £	2018 Restated £
Fixed assets					
Tangible assets	11		25,572		-
Current assets					
Debtors	13	449,047		385,315	
Cash at bank		229,019		285,478	
		<u>678,066</u>		<u>670,793</u>	
Creditors: amounts falling due within one year	14	<u>(150,029)</u>		<u>(125,305)</u>	
Net current assets			528,037		545,488
Net assets			<u>553,609</u>		<u>545,488</u>
Reserves					
Unrestricted funds:					
General Funds	18		550,058		506,767
Restricted funds	18		3,551		38,721
			<u>553,609</u>		<u>545,488</u>

These finance statements were approved by the Board of trustees and authorised for issue on 18 November 2019 and were signed on its behalf by:

Mr J D Greenidge
Chairman



The notes pages 23 to 48 form part of these financial statements.

Cash flow statement for the year ended 31 March 2019

	Note	2018/19 £	2017/18 £
Cash flow from operating activities			
Net cash provided by operating activities	22	(40,528)	(111,706)
Cash flows from investing activities			
Dividends, interest and rents from investments		8	82
Purchase of property, plant and equipment		(59,849)	(350)
Purchase of intangibles		(6,988)	-
Proceeds from the disposal of fixed assets		2,000	-
Net cash provided by investment activities		<u>(66,829)</u>	<u>(268)</u>
Change in cash and cash equivalents in the reporting period		(105,358)	(111,974)
Cash and cash equivalents at the beginning of the reporting period		619,425	731,399
Cash and cash equivalents at the end of the reporting period		<u>514,067</u>	<u>619,425</u>

The notes pages 23 to 47 form part of these financial statements.

1 Charity Information

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

Accounting Policies

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

Basis of Preparation

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

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

The accounts have been prepared under the historical cost convention.

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

Rounding

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

Presentation of the accounts on a going concern basis

The charity reported a net unrestricted inflow of £43,291 for the year. The group reported a net unrestricted inflow of £20,642. This charity has sufficient free reserves and is monitoring results on a frequent basis. The trustees are of the view that on this basis the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

Basis of consolidation

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

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

Fund accounting

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

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

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

Income

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

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

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

Allocation of expenditure

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

Charitable activities

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

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

Governance costs

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

Resources expended

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

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

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

Intangible assets

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

Tangible fixed assets

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

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

Stocks

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

Cash and cash equivalents

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

Financial instruments

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

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

Derecognition of financial liabilities

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

Capital grants received

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

Operating lease costs

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

Liabilities policy

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

Pensions

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

Taxation

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

Critical accounting estimates and judgements

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

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

2 Incoming resources

Incoming resources from generated funds

	2019 Unrestricted £	2019 Restricted £	2019 Total £	2018 Total £
Voluntary income				
<u>Group</u>				
Donations	70,178	7,758	77,936	5,035
	<hr/> 70,178	<hr/> 7,758	<hr/> 77,936	<hr/> 5,035
<u>Charity</u>				
Donations	69,755	10,393	80,148	5,184
	<hr/> 69,755	<hr/> 10,393	<hr/> 80,148	<hr/> 5,184
Other trading activities				
<u>Group</u>				
Trading company income	-	-	-	134,270
	<hr/> -	<hr/> -	<hr/> -	<hr/> 134,270
Investments				
<u>Group</u>				
Bank interest	8	-	8	82
	<hr/> 8	<hr/> -	<hr/> 8	<hr/> 82

3 Incoming resources

Incoming resources from charitable activities provided by:

Group	2019 Unrestricted £	2019 Restricted £	2019 Total £	2018 Total Restated £
Welsh Assembly	125,000	175,000	300,000	610,434
Public Agencies and National Charities	31,787	78,718	110,505	291,335
Local Authority	75,231	82,452	157,683	204,577
European Union	43,310	-	43,310	21,650
Private Sector	581,904	133,064	714,968	207,138
	<u>857,232</u>	<u>469,234</u>	<u>1,326,466</u>	<u>1,335,134</u>
Income by activity:				
People	147,125	58,640	205,765	463,514
Places	63,910	152,583	216,493	186,677
Prosperity	157,487	47,257	204,744	274,057
Partnership	287,693	175,000	462,693	377,185
Furniture Revival	201,017	35,754	236,771	33,701
	<u>857,232</u>	<u>469,234</u>	<u>1,326,466</u>	<u>1,335,134</u>

3 Incoming resources (continued)

Incoming resources from charitable activities provided by:

	2019 Unrestricted	2019 Restricted	2019 Total	2018 Total Restated
<u>Charity</u>	£	£	£	£
Welsh Assembly	125,000	175,000	300,000	610,434
Public Agencies and National Charities	2,240	42,964	45,204	257,980
Local Authority	57,988	82,452	140,440	182,900
European Union	43,310	-	43,310	21,650
Private Sector	329,919	133,064	462,983	150,107
	<u>558,457</u>	<u>433,480</u>	<u>991,937</u>	<u>1,223,071</u>
Income by activity:				
People	121,139	58,640	179,779	463,051
Places	63,910	152,584	216,494	172,257
Prosperity	91,311	47,256	138,567	216,296
Partnership	282,097	175,000	457,097	371,467
	<u>558,457</u>	<u>433,480</u>	<u>991,937</u>	<u>1,223,071</u>

4 Other income

	2019 Unrestricted	2019 Restricted	2019 Total	2018 Total Restated
<u>Group</u>	£	£	£	£
Disposal of fixed assets	2,000	-	2,000	-
	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>

5 Trading company costs

	2019 Unrestricted	2019 Restricted	2019 Total	2018 Total Restated
<u>Group</u>	£	£	£	£
Trading company expenditure	-	-	-	140,316
	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,316</u>

6 Charitable activities

Expenditure on projects related to the following activities:

<u>Group</u>	2019 Total £	2018 Total £
Direct costs		
Staff Costs	622,279	501,043
Volunteer Costs	7,707	2,875
Material & direct purchases	59,061	67,223
Subcontractors & Consultancy	183,395	254,697
Training and Recruitment	16,851	6,196
Project Travel and Transport	147,778	30,378
Project Publicity	12,295	10,974
Professional Fees	85,428	53,196
Federation membership	5,000	1,757
Administration & Sundry	7,120	-
Communications & IT	3,696	-
Motor, travel & expenses	776	-
Premises expenses	14,697	-
Depreciation	1,210	1,210
	<u>1,167,293</u>	<u>929,549</u>
Support costs		
Staff Costs	96,229	255,702
Recruitment & Training	863	5,480
Premises Expenses	56,315	41,328
Depreciation	14,372	10,192
Motor Travel and Expenses	3,141	24,208
Legal and professional	7,135	852
Communications & IT	17,631	15,279
Promotion & Advertisement	-	2,044
Administration & Sundry	14,225	34,005
Governance	26,927	9,700
Historical provision written off	884	(107,987)
	<u>237,722</u>	<u>290,803</u>
Total	<u><u>1,405,015</u></u>	<u><u>1,220,352</u></u>
Analysed between:		
Unrestricted	908,776	332,997
Restricted	496,239	887,355
	<u><u>1,405,015</u></u>	<u><u>1,220,352</u></u>

6 Charitable activities (continued)

Expenditure on projects related to the following activities:

	2019 Total £	2018 Total £
Charity		
Direct costs		
Staff Costs	465,471	472,657
Volunteer Costs	5,968	2,409
Material & direct purchases	55,466	40,956
Subcontractors & Consultancy	183,395	254,228
Training and Recruitment	11,927	4,588
Project Travel and Transport	88,549	39,186
Project Publicity	11,766	10,393
Communications & IT	3,546	-
Administration & Sundry	6,857	-
Premises Expenses	14,257	-
Motor Travel and Expenses	776	-
Professional Fees	85,428	46,696
Federation membership	5,000	1,757
	<u>938,406</u>	<u>872,870</u>
Support costs		
Staff Costs	62,423	255,702
Recruitment & Training	838	5,192
Premises Expenses	18,831	21,796
Motor Travel and Expenses	(488)	12,849
Legal and professional	1,684	852
Communications & IT	9,904	5,391
Promotion & Advertisement	-	2,044
Administration & Sundry	6,441	29,073
Depreciation	2,833	-
Governance	23,092	3,350
	<u>125,558</u>	<u>336,249</u>
Total	<u>1,063,964</u>	<u>1,209,119</u>
Analysed between:		
Unrestricted	574,703	323,138
Restricted	489,261	885,981
	<u>1,063,964</u>	<u>1,209,119</u>

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

	2019 £	2018 £
Groundwork North Wales	150,000	112,790
SNAP Cymru	-	17,680
Keep Wales Tidy	300	-
	<u>150,300</u>	<u>130,470</u>

Expenditure

<u>Group</u>	Unrestricted £	Restricted £	2019 £	2018 £
People	112,448	104,316	216,764	388,340
Places	14,994	146,005	160,999	155,721
Prosperity	337,208	63,018	400,226	235,578
Partnership	192,030	182,900	374,930	513,082
Furniture Revival	252,096	-	252,096	35,618
Other	-	-	-	(107,987)
	<u>908,776</u>	<u>496,239</u>	<u>1,405,015</u>	<u>1,220,352</u>

Expenditure on projects:

	Direct £	Support £	2019 £	2018 £
People	191,260	25,504	216,764	388,340
Places	145,109	15,890	160,999	155,721
Prosperity	323,494	76,732	400,226	235,578
Partnership	309,825	65,105	374,930	513,082
Furniture Revival	197,605	54,491	252,096	35,618
Other	-	-	-	(107,987)
	<u>1,167,293</u>	<u>237,722</u>	<u>1,405,015</u>	<u>1,220,352</u>

Expenditure

Charity	Unrestricted £	Restricted £	2019 £	2018 £
People	72,205	102,814	175,019	393,418
Places	17,619	140,529	158,148	147,743
Prosperity	286,260	63,018	349,278	214,088
Partnership	198,407	182,900	381,307	450,809
Furniture Revival	212	-	212	3,061
	<u>574,703</u>	<u>489,261</u>	<u>1,063,964</u>	<u>1,209,119</u>

Expenditure on projects:

	Direct £	Support £	2019 £	2018 £
People	164,710	10,309	175,019	393,418
Places	139,623	18,525	158,148	147,743
Prosperity	307,917	41,361	349,278	214,088
Partnership	325,944	55,363	381,307	450,809
Furniture Revival	212	-	212	3,061
	<u>938,406</u>	<u>125,558</u>	<u>1,063,964</u>	<u>1,209,119</u>

7 Employees

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

Group	2019	2018
Direct charitable	26	45
Management and admin	10	9
	<u>36</u>	<u>54</u>

Charity

Direct charitable	16	24
Management and admin	9	8
	<u>25</u>	<u>32</u>

The aggregated cost of these persons was as follows.

<u>Group</u>	2019 £	2018 £
Wages and salaries	699,756	765,658
Social security costs	50,570	60,029
Pension costs	25,762	28,332
Redundancy payments	-	7,277
	<u>776,088</u>	<u>861,296</u>
 <u>Charity</u>		
Wages and salaries	515,648	638,972
Social security costs	46,370	54,170
Pension costs	23,455	27,940
Redundancy payments	-	7,277
	<u>585,473</u>	<u>728,359</u>

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

	2019 No.	2018 No.
£60,000 - £70,000	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

Key management personnel

The key senior management personnel of the charity are as detailed in the Trustees report with a total cost in 2019 of £259,822 (2018: £237,455). Total contributions under defined contribution schemes on behalf of these higher paid employees were £10,724 (2018: £8,227).

8 Transactions with trustees

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

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

9 Net incoming resources

<u>Group</u>	2019 £	Restated 2018 £
Net incoming resources for the year is stated after charging:		
Auditor's remuneration:	9,350	9,700
Depreciation of owned fixed assets	15,466	18,414
Operating lease rentals	14,224	6,270
	<hr/>	<hr/>
<u>Charity</u>		
Net incoming resources for the year is stated after charging:		
Auditor's remuneration:	5,850	3,350
Operating lease rentals	1,185	13,580
	<hr/>	<hr/>

10 Intangible fixed assets

<u>Group</u>	IT equipment £
<i>Cost</i>	
At 1 April 2018	-
Additions	6,988
	<hr/>
At 31 March 2019	6,988
	<hr/>
<i>Amortisation</i>	
At 1 April 2018	-
Additions	116
	<hr/>
At 31 March 2019	116
	<hr/>
<i>Net book value</i>	
At 31 March 2019	6,872
	<hr/>

11 Tangible assets

<u>Group</u>	Plant and machinery	Motor vehicles	Buildings	Total
<i>Cost or Valuation</i>				
At 1 April 2018	105,585	59,672	150,000	315,257
Additions	36,949	22,900	-	59,849
Disposals	-	(19,995)	-	(19,995)
At 31 March 2019	142,534	62,577	150,000	355,111
<i>Depreciation</i>				
At 1 April 2018	93,688	51,832	13,125	158,645
Charged for the year	6,784	6,807	1,875	15,466
Disposals	-	(19,995)	-	(19,995)
At 31 March 2019	100,472	38,644	15,000	154,116
<i>Net book value</i>				
At 31 March 2019	42,062	23,933	135,000	200,995
At 31 March 2018	11,897	7,840	136,875	156,612

<u>Charity</u>	Plant and machinery	Total
<i>Cost or Valuation</i>		
At 1 April 2018	-	-
Additions	28,405	28,405
At 31 March 2019	28,405	28,405
<i>Depreciation</i>		
At 1 April 2018	-	-
Charged for the year	2,833	2,833
At 31 March 2019	2,833	2,833
<i>Net book value</i>		
At 31 March 2019	25,572	25,572

12 Charitable Subsidiary

Groundwork Caerphilly

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

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

A summary of the results are shown below:

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Summary Income and Expenditure Account:		
Total income	308,706	142,705
Total expenditure	(315,434)	(22,368)
Surplus/(Deficit) for the financial year	<u>(6,728)</u>	<u>120,337</u>
 Summary Balance Sheet:		
Total assets	522,284	536,918
Total liabilities	(253,926)	(261,832)
Net assets	<u>268,358</u>	<u>275,086</u>
Restricted funds carried forward	168,282	139,507
Unrestricted funds carried forward	<u>100,076</u>	<u>135,579</u>
	<u>268,358</u>	<u>275,086</u>

13 Debtors

<u>Group</u>	2019 £	Restated 2018 £
Trade debtors	181,645	181,005
Prepayments and Accrued Income	117,190	43,352
	<u>298,835</u>	<u>224,357</u>
<u>Charity</u>		
Trade debtors	147,011	148,722
Amounts due from group entities	195,487	205,450
Prepayments and Accrued Income	106,549	31,143
	<u>449,047</u>	<u>385,315</u>

14 Creditors

<u>Group</u>	2019 £	2018 £
Trade Creditors	59,667	23,145
Accruals & Deferred Income	130,108	136,418
VAT	16,533	22,128
	<u>206,308</u>	<u>181,691</u>
<u>Charity</u>		
Trade Creditors	28,927	14,342
Accruals & Deferred Income	102,409	90,448
VAT	18,693	20,515
	<u>150,029</u>	<u>125,305</u>

15 Deferred income

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

Group

	Balance at 1 April 2018 £	Transferred from deferred income £	Balance at 31 March 2019 £
Programmes	10,324	6,341	3,983

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

	Income Received £	Transferred from deferred income £	Net incoming resources £
Unrestricted funds	929,418	6,341	935,759

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

Charity

	Balance at 1 April 2018 £	Transferred from deferred income £	Balance at 31 March 2019 £
Programmes	28,719	25,986	2,733

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

	Income Received £	Transferred from deferred income £	Net incoming resources £
Unrestricted funds	628,212	25,986	654,198

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

16 Operating leases

Group

	Land & Buildings		Other	
	2019	2018	2019	2018
	£	£	£	£
Due in 1 year	1,000	1,000	1,656	1,656
Due in 2-5 years	-	501	4,011	5,667
	<u>1,000</u>	<u>1,501</u>	<u>5,667</u>	<u>7,323</u>

Charity

	Other	
	2019	2018
	£	£
Due in 1 year	1,656	-
Due in 2-5 years	4,011	-
	<u>5,667</u>	<u>-</u>

17 Analysis of net assets at 31 March 2019

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total £
Intangible & Tangible fixed assets	39,835	168,032	207,867
Net current assets	610,119	3,802	614,002
	<u>650,034</u>	<u>171,834</u>	<u>821,869</u>

Charity

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

Previous year-- Restated

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	19,740	136,872	156,612
Net current assets	622,505	41,356	663,861
	<u>642,245</u>	<u>178,228</u>	<u>820,473</u>

Charity

Net current assets	506,767	38,721	545,448
	<u>506,767</u>	<u>38,721</u>	<u>545,448</u>

1 Statement of funds

3

Unrestricted funds

<u>Group</u>	Restated Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2019 £
General funds	592,245	929,418	(908,776)	(12,853)	600,034
Designated funds	50,000	-	-	-	50,000
At 31 March 2019	642,245	929,418	(908,776)	(12,853)	650,034
<hr/>					
<u>Charity</u>					
General funds	506,767	628,212	(574,703)	(10,218)	550,058
At 31 March 2019	506,767	628,212	(574,703)	(10,218)	550,058
<hr/>					

Previous year - Restated

<u>Group</u>	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Transfers £	Restated Balance at 31 March 2018 £
General funds	567,873	539,130	(473,313)	(41,445)	592,245
Designated funds	-	-	-	50,000	50,000
At 31 March 2018	567,873	539,130	(473,313)	8,555	642,245
<hr/>					
<u>Charity</u>					
General funds	526,352	303,553	(323,138)	-	506,767
At 31 March 2018	526,352	303,553	(323,139)	-	506,767
<hr/>					

18 Statement of funds (continued)

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

Designated funds

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

Previous year

	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2018 £
Building maintenance costs	-	-	-	50,000	50,000
At 31 March 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>

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

18 Statement of funds (continued)

Restricted funds

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

Charity

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

18 Statement of funds (continued)

Restricted funds

CAT Project – grant funding received for the purchase of the property at Mynydd Islwyn. The property is being depreciated in line with the charity's depreciation policy. Resources expended represents the depreciation charge for the year.

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

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

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

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

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

Wood 2 Work - provide beneficiaries with positive practical work experiences with a view to moving individuals forward into apprenticeships, further training or employment.

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

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

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

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

Postcode Lottery - supports the Green Team in Torfaen area.

Western Power - planting trees in the community.

Blaenau Gwent CBC - Funded by WCVA Active Inclusion, we provide volunteering and training opportunities for unemployed participants on an environmental improvement project in Sirhowy Woodlands, Tredegar in partnership with Blaenau Gwent CBC.

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

18 Statement of funds (continued)

Restricted funds

Previous year

<u>Group</u>	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance 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 Play	-	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)	-
At 31 March 2018	138,747	935,391	(887,355)	(8,555)	178,228

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 Play	-	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)	-	-
At 31 March 2018	-	924,702	(885,981)	-	38,721

20. STATUS

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

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

21. 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 £25,762 (2018: £28,332) during the year. At the year end £nil (2018: £nil) was accrued in respect to contributions to the scheme.

PENSION SCHEMES – CHARITY

The Charity contributes to employee's own personal pension schemes. The pension cost charge represents contributions paid by the Charity to the individual schemes and amounted to £23,455 (2018: £27,940) during the year. At the year end £nil (2018: £nil) was accrued in respect to contributions to the scheme.

22. RELATED PARTY TRANSACTIONS

As at 31 March 2019, Groundwork Wales owed Groundwork Caerphilly £10,817 (2018: nil).

As at 31 March 2019, Groundwork Caerphilly owed the charity £206,304 (2018: £205,450).

During the year the charity was re-charged £28,255 (2018: £11,380) by Groundwork Caerphilly for expenditure made on its behalf.

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

During the year the charity were charged £7,854 for work performed on the Erasmus project.

No amount was outstanding at the year end.

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

	2019 £	2018 £
Net income for the reporting period (as per the SOFA)	1,395	113,853
Adjusted for:		
Dividends, interest and rents from investments	(8)	(82)
Depreciation charge	15,582	18,414
Proceeds from the disposal of fixed assets	(2,000)	-
(Increase)/decrease in stocks	(5,637)	(269)
(Increase)/decrease in debtors	(74,479)	59,271
Increase/(decrease) in creditors	24,618	(302,893)
Net cash provided by operating activities	<u>(40,528)</u>	<u>(111,706)</u>

Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	514,068	619,425
	<u>514,068</u>	<u>619,425</u>

Advisors

Auditors

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

Bankers

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

The Board of Trustees

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

Appointed trustees	First appointed	Last appointed	Retired/resigned
Mr B J Davies MBE	15 March 2006		
Mr G N Hunt	8 November 2004		27 April 2018
Ms H F Northmore	10 September 2008		
Mr B Matthew	11 March 2016		
Mrs N Rees	11 March 2016		
Mr J D Greenidge	9 February 2018		
Mr D Harvard	28 February 2016		26 January 2018
Ms K Heenan-Davies	5 December 2018		
Mr P Fiander	10 December 2018		

Chair

Mr J D Greenidge

Company Secretary

Ms K Stevenson

Chief Executive

Ms K Stevenson