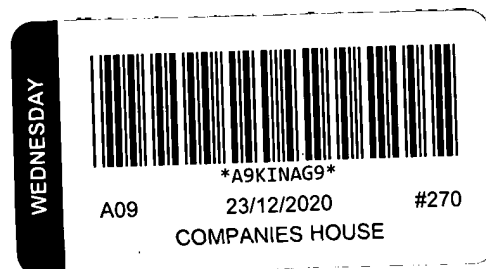


# **GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE**

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

**Charity registration number – 514727**  
**Company registration number – 01764848**  
**Registered office:**  
**74-80 Hallgate**  
**Wigan**  
**WN1 1HP**



# GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

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# **GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE**

## **1 ABOUT GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE**

### **1.1 Our Vision**

Groundwork Cheshire Lancashire & Merseyside is a member of the national Federation of Groundwork Trusts, a network of charities mobilising practical community action on poverty and the environment across the UK.

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 believe that building more resilient local communities is vital in facing up to the challenges of a globalised economy and a changing climate.

We know that the negative effects of climate change and environmental breakdown impact first and worst on those who have the least power in society, and who contribute least to the cause of the crisis. A 'just transition' to net-zero carbon emissions must tackle, rather than entrench, this inequality and provide a springboard for better work and healthier, happier lives in the places that need it most.

This means creating green jobs that build wealth in local communities, changing behaviour to reduce wasted food, energy and water, providing biodiverse, accessible green spaces and empowering communities to lead activities that improve their quality of life and promote health and wellbeing.

### **1.2 Why our work is needed**

The UK is one of the richest nations in the world yet many people in many communities face significant hardship.

- Reductions in public spending mean there is a risk of greater social inequality and greater geographic disparity as services people rely on are cut.
- The neighbourhood services that enhance our quality of life – from youth clubs to parks – are feeling the brunt of spending reductions.
- As our economy and welfare system change, some people in some parts of the country remain marginalised and vulnerable – unable to connect with economic opportunity.
- Environmental issues – from flooding to energy price rises – are impacting disproportionately on those who have least protection.

Addressing these challenges will require new ideas and approaches to engaging communities and businesses as well as new forms of public service delivery.

Groundwork was founded at a time of political, social and economic challenge as an experiment to help communities cope with change and work together to make their lives and neighbourhoods better. That experience and that spirit of enterprise and innovation have never been more needed.

What drives us is the recognition that in every community – however disadvantaged – there are deep reserves of pride in the local area and people with the passion and ideas to improve their circumstances and surroundings.

Groundwork exists to harness that pride and unlock that passion through services, projects and programmes that change people's lives now but also make our communities more resilient for the future.

### **1.3 The change we deliver**

We work with partners to address the challenges our communities face in three ways.

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

- *Improving people's prospects* by increasing the confidence, skills, well-being and employability of those furthest removed from the labour market, in particular young people.
- *Creating better places* by helping people work together to make their surroundings greener, safer and healthier and get involved in the way decisions are made about services in their area.
- *Promoting greener living and working* by helping people learn more about their environmental impact and act responsibly to reduce natural resource use.

### 1.4 Our values

We provide leadership and positive energy focused on helping communities to develop solutions.

We take a person centred approach that delivers compassionate support to those members of our community in need of our help

We are knowledgeable in our field of expertise and use our creativity to develop new and innovative approaches to tackling difficult community problems.

We are driven to make a difference to our communities – we effect genuine change – and we can demonstrate the impact of our work.

We demonstrate the highest levels of integrity within our work – striving to build genuine partnerships that are committed to places for the long term.

We are professional in our performance – hard working, efficient and effective – ensuring all of our resources are used to maximise the impact of our work.

To find out more about our work, please visit our website and social media pages:

[www.groundwork.org.uk/clm](http://www.groundwork.org.uk/clm)

[www.facebook.com/groundworkclm](https://www.facebook.com/groundworkclm)

[www.twitter.com/GroundworkCLM](https://www.twitter.com/GroundworkCLM)

[www.linkedin.com/company/groundwork-cheshire-lancashire-&-merseyside/](https://www.linkedin.com/company/groundwork-cheshire-lancashire-&-merseyside/)

## 2 CHAIR'S STATEMENT

It gives me great pleasure to present the annual report and financial statements for Groundwork Cheshire, Lancashire & Merseyside. As always, the Trust and its team have worked very hard this year to deliver a programme of projects that have helped support communities to change the places where they live, and to help improve their lives as a result.

The year has seen a lot of stress in communities – first with the uncertainties created by Brexit – and latterly by the devastating effects of the Covid pandemic. And it is during times of uncertainty that people turn to charities for help.

In pursuit of our mission to build more sustainable communities, we have seen the needs of young people come to the fore – with rising unemployment levels and a mental health crisis. In response: We have continued to work with *The Princes Trust* to deliver *TEAM* across our area, supporting some of our most vulnerable people; We have expanded our *National Citizen Service* programme to support more places and involve more young people in an amazing show of community social action; and we've developed a suite of Traineeship programmes, helping young people bridge the gap into employment.

We've seen a rise in the importance within communities of the climate and nature emergency – and since the onset of the Covid pandemic – a re-emergence of the importance of local green space. And we're playing our role here too. We are opening up and making more accessible, more and more green open spaces. Our Rivington Terraced Gardens project nears completion following £4m of new investment. Our community gardens across the northwest are going from strength to strength – as is their role as 'green social prescribing' hubs – helping people improve their health and wellbeing through access to nature and the environment. Whilst our River Catchment co-ordination work is seeing considerable improvements in the quality of our rivers and flood risk mitigation.

We've also seen this important place making work play a key role in the survival of town centers and key business districts. We've added Burnley to our network of *Business Improvement Districts*, and we are keen to do more.

And whilst delivering all of this impact, we have continued to improve our financial performance and our internal business systems, placing us in a strong position to be able to support communities through the challenges ahead.

I am particularly grateful to our Executive Director and senior managers who have exemplified what good leadership is during 2020, their dedication to their teams and the support shown to them, demonstrates the level of resilience we have as an organisation in the toughest of times.

We are clear that our job ahead is to support those places – and those communities most in need, and with the help of our dedicated staff and our wonderful partners – that is what we will do.

**Tracy Fishwick**

**Chair, GCLM**

### 3 TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020

#### 3.1 Purposes & Public Benefit

Groundwork CLM's charitable objectives are set down in its Memorandum of Association. They commit Groundwork CLM to delivering and promoting regeneration and sustainable development and are summarised as follows:

- To conserve, protect and **improve the physical and natural environment**;
- To **improve quality of life** by providing welfare, recreation or leisure facilities;
- To advance public **education in environmental matters**.
- To promote **urban or rural regeneration** in areas of social and economic deprivation through:
  - the relief of poverty and unemployment
  - providing education, training or work experience for people who are unemployed
  - delivering financial assistance, technical assistance, business advice or consultancy in order to help people get back to work
  - creating training and employment opportunities by providing work space, buildings and land
  - maintaining or improving public amenities such as footpaths and cycle ways
  - the preservation of buildings or sites of historic or architectural importance
  - reclaiming derelict land for use as open space
  - providing public health facilities and schemes to promote healthier living
  - alleviating anti-social behavior and supporting crime prevention.
- To promote **sustainable development** for the benefit of the public by:
  - preserving, conserving and protecting the environment
  - promoting the prudent use of natural resources
  - improving quality of life in socially and economically disadvantaged communities
  - promoting sustainable means of achieving economic and social growth and regeneration
  - educating the public in how to protect and improve the environment.
- To promote the **efficiency and effectiveness of charities** in helping them deliver their objectives by providing information, advice and assistance.
- To **focus our efforts on a defined area of benefit** – namely Wigan, Cheshire, Lancashire and Merseyside.

Our values guide how we deliver against our objectives. Specifically:

- We will provide **leadership** and **positive** energy focused on helping communities to develop solutions.
- We will take a **person centred approach** that delivers compassionate support to those members of our community in need of our help
- We are **knowledgeable** in our field of expertise and use our creativity to develop new and innovative approaches to tackling difficult community problems.
- We are driven to **make a difference** to our communities – we effect genuine change – and we can demonstrate the impact of our work.
- We will demonstrate the highest levels of **integrity** within our work – striving to build genuine partnerships that are committed to places for the long term.
- We will be **professional** in our performance – hard working, efficient and effective – ensuring all of our resources are used to maximise the impact of our work.

Groundwork CLM's 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 CLM's activities during 2019/20 can be found on the following pages.

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Our work at Groundwork CLM sits within the wider context of the projects, programmes and services delivered by the whole Groundwork federation. Each independent Groundwork Trust determines its own priorities and has its own charitable objectives. Groundwork operates to a collective strategy which binds all federation members to a clear set of overarching goals in support of these objectives.

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/clm](http://www.groundwork.org.uk/clm)

### 3.2 Public Benefit Statement

The Trustees have given due consideration to Charity Commission guidance on public benefit and confirm that the charity is compliant with Section 17 of the Charities Act 2011 in respect of public benefit, as reported above.

### 3.3 Review of the Year ended 31 March 2020

#### a) Performance Overview

2019/20 has been another strong year for the Trust – both financially and in terms of our impact – building on and consolidating the success that we have had in recent years.

A commitment to place based development has seen our programmes in communities across the North West grow, whilst our employment and skills activity continues to help 100s of people every year to find work. Our Business Improvement District programme has grown further, with Burnley Town Centre the latest addition to our portfolio – following on from a successful re-vote in Northwich that re-affirmed the support of the business community in our work.

We've continued to develop innovative solutions, with our management of the Grange Park Community Hub, Grow Speke Community Garden, and Rivington Terraced Gardens all leading the way in terms of developing co-designed risk sharing solutions to long term problems.

We have also continued to improve our internal systems and working practices, making better use of our overhead investment in skills, expertise, and technology to best support the needs of our staff.

And financially, we've continued to improve project profitability, our staff yields, and our overall cash position.

#### b) Activity Highlights

Our programme of work is organised and delivered through 3 connected programmes of work.

1. Our **Sustainable Communities Programme** has focused on delivering a set of complimentary services to support those working to build more empowered, more confident, more resilient, more sustainable local communities. The programme has continued to grow in size, and is the biggest it has ever been, contributing over half of the Trusts income. Notable projects included:
  - **@The Grange.** We continue to deliver a community centre and farm on the Grange Park estate in Blackpool, in an innovative risk share model with the local authority, that has transformed an underutilised council building and a neglected piece of adjoining land into a vibrant, welcoming community centre that is truly the heart and soul of the community.
  - **Grozone.** For the last 12 years we have been developing Grozone – a community garden built on an old brownfield site in Northwich, Cheshire. An exemplar of horticultural therapy in action, the project has improved the wellbeing of thousands of people since its inception in 2008, and is a prime example of a community wellbeing hub at the heart of the social prescribing movement.
  - **Grow Speke.** The 3<sup>rd</sup> year of operation, Grow Speke has grown from a fledgling community garden on a derelict land plot in Speke, Liverpool, in to a valuable wellbeing project for the people of the area. Supported by South Liverpool Homes, the project forms an integral part of their community hub 'The Reach', and also formed a key project in the Liverpool City Region Year of the Environment 2019.
  - **Big Local.** Supporting communities in Rudheath and Witton, Cheshire and Windmill Hill and Latchford, Warrington, we are acting as the Local Trusted Organisation to help develop and deliver a 10-year local transformation plan.
  - **Rivington Terraced Gardens.** This year was the penultimate year of the Lottery Heritage Fund grant investment in this project, which has supported our work to conserve this historic landscape, improve

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

access for all, and to deliver a transformational volunteer programme. We have developed a range of income generating products, services and events, which together with on-going support from United Utilities, will provide a sustainable source of income that will protect the Gardens into the future.

- **Green Doctor.** Through collaboration within the wider Groundwork network, we have seen our affordable warmth and energy efficiency advice programme expand from Cheshire, with new projects in Blackpool and Wigan.
  - **Weaver/Gowy/Douglas Catchment Partnerships.** In its 8<sup>th</sup> year now, our hosting of these CaBA consortia has facilitated the creation of an established safe democratic space for a diverse range of stakeholders sometimes with differing viewpoints to meet quarterly, share best practise, discuss challenges, ratify key priorities and deliver many hundreds of targeted on the ground interventions to improve river water quality. Partnerships consist of a healthy and growing membership including local authorities; Environment Agency, Natural England, United Utilities PLC, Wildlife Trusts, eNGOs, private business and local community representatives. We are collectively addressing challenges with water quality, water quantity, improving biodiversity, engaging people and local business as climate changes and population grows across Cheshire and Lancashire.
  - **Tesco Bags for Help.** Across the 29 Tesco Regions that makes up the Groundwork CLM component of this national partnership, during 2019/20 our Bags of Help programme has awarded approximately £500,000 to nearly 200 local not-for-profit organisations. Awards have varied from £1000 grants to small community groups up to £25,000 for larger charities in the Centenary Round – but all achieving incredible things for their communities. Store Community Champions have found it a ‘humbling experience’ to be involved in the Scheme ‘that changes the lives of participants’.
2. Our **Employment & Skills Programme** has focused on helping people to realise their potential, providing personalised support to help overcome barriers, discover skills and boost motivation and confidence.
- **Prince’s Trust Team.** This year has seen the Trust deliver 16 personal development programmes in six different locations - Blackpool, Southport, Wigan, Chorley, Leigh and Warrington, we have worked with 195 young people funded via ESFA/AEB funding routes.
  - **National Citizen Service.** We delivered the NCS programme to 279 young people aged 16 and 17 in St Helens during the year, who in turn also raised nearly £5k through their social action projects for local charities. Income has also been secured to extend the programme to Wigan next year.
  - **Roots to Well-being.** We have expanded to deliver in both Leigh and Knowsley during the year, complementing our existing Wigan delivery and improving the lives of 101 long-term unemployed individuals.
  - **Building Better Opportunities – Lancashire.** Our 7 coaches, mentors and training officers have supported 157 long-term unemployed clients to feel better about themselves and increase their employability potential.
  - **Building Better Opportunities – Cheshire.** Our New leaf training programme focused on the 5 ways to well-being has increased knowledge and health awareness, strengthening resilience in 69 long term unemployed clients.
  - **Tackling Inactivity** – Our Sport England funded Tackling inactivity officer has integrated physical activity sessions into all our personal development programmes in Wigan borough. Our aim has been to Increase activity levels to 30 minutes per day in all clients.
3. Our **Sustainable Business Programme** has focused on helping business become more sustainable – minimising their impact on the local and global environment – whilst securing and creating jobs through improved business performance, resource efficiency and productivity.
- **Burnley Business Improvement District (BID)** – We have worked with 200+ companies in Burnley town centre to develop a proposal for a town centre focused BID to deliver a significant investment towards town centre management between 2020 and 2025. The proposal was approved by a majority of companies at ballot in November 2019 with more than 70% voting in favour. This new BID project will begin in April 2020.
  - **Northwich and Gadbrook BID reballots** – Groundwork managed BID reballots in Northwich town centre and Gadbrook Park business park. These are both strategically important areas in Mid-Cheshire for employment, enterprise and community. Both projects were approved at ballot by a majority of companies. Gadbrook Park now continues as a BID, having been first established in 2009, a 2<sup>nd</sup> term BID approved in 2014 and now a 3<sup>rd</sup> term BID in 2019. Northwich town centre BID was first approved in 2014 and following the successful delivery of the first term BID, this 2<sup>nd</sup> term BID was approved by majority of companies for a 2<sup>nd</sup> term through until 2024. These two project between them support 300+ companies each year, employing more than 10,000 staff and will see £2million+ of additional investment over 5 years. The Northwich BID engages with 50,000+ members of the local community through social media, events and projects delivered in the town centre.



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- **Warrington Business Improvement District establishment (BID).** The first year of the Warrington BID was delivered and the 2<sup>nd</sup> year begun for this important consumer engagement and high street transformation project. The project delivered investments in: added value events including a music festival and ice rink experience; investments in the Street Pastor project to deliver a safer night time experience for young people; development of a new consumer facing brand which delivered consumer messages to 100,000 consumers in and around Warrington town centre.
- **Love My River.** Support was delivered to 19 companies based in proximity to the River Weaver. The project delivered improvements in the companies pollution prevention practices, reducing the risk of polluting substances entering the River Weaver.
- **Business Energy Efficiency Grant Scheme** - A new Energy Efficiency auditing service was launched in partnership with the Cheshire & Warrington Local Enterprise Partnership and Blue Orchid. 12 companies were audited identifying £300k+ of new energy efficiency projects, with the potential to generate 150 tonnes of CO2 and £60,000+ cost savings.

### c) Our impact – a measure of the difference we have made

In relation to the changes we aim to deliver, during the year we operated 44 separate projects which have:

#### 1. Improved people's prospects by

- Engaging 32 schools across the North West in projects to improve education outcomes and to develop young people
- Helping 1406 young people learn new skills;
- Helping people to gain 5947 formal qualifications;
- And helping 640 people into work or further training.

#### 2. Created better places by

- Supporting 65 community organisations to develop their own projects and change their local spaces by providing leadership and coaching, access to specialist support, and access to financial support;
- Improving 24 public spaces covering 5 hectares of land, and by managing a further 37 hectares of community green space;
- Helping over 422 volunteers to provide over 16,000 hours of time within their communities.

#### 3. Promoted greener living and working by

- Providing advice and support on business efficiency to 773 businesses;
- Supporting 6 Business Improvement Districts to transform their business parks and town centres.
- Providing 118 domestic energy visits, saving £3,600

And the outcomes of this work have been truly life changing:

***"Grow Blackpool is the only activity that is currently running in Dan's life and without this he would be completely cut off from the world." - Sonja.***

Dan has cerebral palsy, autism, XYY syndrome and epilepsy. He is non-verbal, so it is really difficult for him to join in anything. One of the things he really enjoys and looks forward to are the regular Grow Blackpool gardening sessions at @TheGrange.

Mum Sonja is Dan's sole carer and says; *"The gardening and general sessions at The Grange are truly amazing for us and fantastic at ensuring that Dan has a very fulfilling experience. He looks forward to the work in the garden and poly tunnel and also learns new skills. He clearly takes great pleasure from the environment and also the people we are with during the sessions. It provides a vital service and it is hard to express just how meaningful the experience has been during COVID restrictions. Seeing everyone at the gardening sessions also really lifts my spirits and keeps me going. We particularly appreciate the high level of COVID safety that you put in place."*

<https://www.groundwork.org.uk/hubs/northwest/dan-loves-grow-blackpool/>

***"I felt like I lost my self-confidence during lockdown. Getting back out to the gardening again has really brought my confidence back up." - Sara***

Before becoming involved with Grow Blackpool, Sara, who is a wheelchair user, spent nearly all of her time at home. Prior to lockdown, she visited @TheGrange twice a week – spending 1 day volunteering on reception and the other taking part in the Grow Blackpool growing sessions. Attending the centre has transformed her life, helping Sara to learn new skills and make new friends and encouraging her to try new things.

<https://youtu.be/H8biTjUulKE>

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***"Grow Speke is ideal for me to be able to get more active and become a bit more of an asset to my local community." - Amanda***

Amanda moved back to Liverpool having lived in Birmingham for over 20 years. She says that Grow Speke is helping her to get to know people in her neighbourhood. Amanda has a disability and she says that the project is also helping her to be active both physically and within her the local community, which she thinks is really important.

<https://youtu.be/6McSVqHO2U0>

***"With Grow Speke's help, we've been able to provide fresh food to people who may otherwise have gone hungry." - Curate Gareth Morgan, St Aidans with All Saints.***

Throughout the pandemic Grow Speke has continued to donate freshly grown fruit and vegetables grown on site and thousands of seedlings to local allotments, community groups and families. Thanks to support from the Steve Morgan Foundation and Quantil Ltd, the project has provided vital support to local communities at a time when they have needed it most. Those who have benefitted from these donations include foodbanks, allotments, community centres and local churches.

<https://youtu.be/YUis9zYDIT4>

***"I can go for days without seeing anybody and I really look forward to that knock on the door for my dinner. If it wasn't for @TheGrange Meals On Wheels service I'd be snacking on biscuits instead of having something substantial." - Steve***

Steve has a number of health and mobility issues. This not only means that he can often be isolated from the outside world and struggles to cook for himself. @TheGrange meals on wheels service has proven a godsend to him. It not only means that he sees a friendly face at least once a day, but also ensures that eats a hot nutritious meal.

<https://youtu.be/LK38vMITCmA>

***"I was at an all-time low. My mentor Viv was supportive, empathetic and reminded me that I still had something to offer." - Linda***

Linda is living proof that the personal development programmes delivered by Groundwork really do work. Linda had been working in a local college as part of the Schools Liaison Team, until the outbreak of Covid meant that her contract wasn't extended. The local Job Centre referred Linda to the Age Of Opportunity programme, which helps people aged 55+ to take part in activities that will get you 'work ready'. During a conversation about Groundwork, Linda's mentor, Viv, noted that Linda seemed particularly interested in the Green Doctor programme. Linda had remarked on how interesting it would be to advise people about saving money on their utility bills. A short time later a job opportunity within the Green Doctor team was advertised. Viv contacted Linda and asked if she would be interested and sent her a link to the advert. Linda applied for the role and after being one of a number of candidates interviewed was recently offered the role of Home Finance Support Advisor.

***"I'd withdrawn to my self-imposed bunker after a bruising series of life events. Now, thanks to Groundwork, I feel like I'm finally getting back on a path to me." - Will***

After a series of setbacks, Will had cut himself off from the outside world and says his life had no direction or purpose. With help from a mentor on the 5 Pathways programme, he agreed some basic goals, which included taking his dog for daily walks just to get out of the house. The walks gradually got longer and he began to vary the routes. This gave Will a sense of accomplishment and he began to realise that this feeling of wellbeing lasted throughout the day. This encouraged him to step further out of his comfort zone and he soon began speaking with his mentor on an almost daily basis. Will signed up for an Open University course, which he has since completed. He says: "It feels like I have been on a long journey and whilst I appreciate I still have a long journey ahead, it feels like I am coming home."

***"The intelligence and the information provided by BIDs during the pandemic has been invaluable." - Chair, Cheshire & Warrington LEP***

Throughout the pandemic Groundwork's Business Team has continued to support businesses and business communities. This has ranged from daily engagement, to providing regular information on the availability of grants and updates on legislation to ensure that businesses can operate in a Covid safe environment. This support has been well received, resulting in lots of positive feedback from local businesses and the Local Enterprise Partnership.

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### **3.4 Plans for the Future**

During 2019/20 we have seen further improvement in the Trust's profitability, providing a platform to allow us to consider how we grow the scale and reach of our impact.

All the work we will undertake in 2020/21 will be delivered through one of three strategic programmes.

#### **a) Strategic Programme 1 - Sustainable Communities**

Our services include:

- Building the skills, capacity and capability of communities to develop their own projects and make change happen.
- Improving health and wellbeing of people through the development and management of community green spaces, gardens and allotments.
- Helping young people to become more active citizens within their community.
- Helping those suffering from fuel poverty to take positive steps to improve affordability
- The provision of specialist capacity to help design, develop, finance, deliver and manage projects to support the aspirations of communities and our partners
- Strategic planning and partnership development work to facilitate large scale environmental change

Our income will come from commissioned work from a predominantly public sector marketplace made up of Local Authorities, Housing Associations, Health Bodies, the Police, and national NGOs such as the Environment Agency.

We also deliver services for communities directly, whilst raising funds to support this work from national grant makers such as Big Lottery, Heritage Lottery Fund, Charitable Trusts, Landfill Communities Fund and private sector Corporate Social Responsibility programmes.

#### **b) Strategic Programme 2 - Employment & Skills**

Our Employment & Skills Programme focuses on helping individuals to realise their potential, providing personalised support to help them overcome their barriers, discover their skills and boost their motivation and confidence.

Our services include:

- Team based personal development programmes that seek to build the confidence, motivation and resilience of participants with the aim of helping them progress into employment, volunteering or education;
- Pre-employment Traineeships that help prepare young people with complex barriers to become competitive within the apprenticeship market place;
- 'One to One' mentoring programmes that provides support, coaching and action planning to help people with complex barriers to move closer to employment.
- Focused intervention to increase activity levels for those in most need to support mental health and well-being.
- 'On the job' vocational qualifications in practical horticulture and construction.

Our income will come from commissioned work from local FE colleges, training providers, local authorities, the DWP and the EFA/SFA. We also operate as a 2<sup>nd</sup> tier supplier within the multi-area/multi-regional prime contracting marketplace for the DWP, EFA/SFA and NOMS.

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### c) Strategic Programme 3 – Sustainable Business

Our Sustainable Business Programme focuses on helping business become more sustainable – minimising their impact on the local and global environment – whilst securing and creating jobs through improved business performance, resource efficiency and productivity.

Our services include:

- The development and operation of Business Improvement Districts (BIDS).
- Environmental Consultancy Services include environmental management systems, low carbon/energy management, legislative compliance, health & safety, EOSS and DEC's.
- The development and delivery of Corporate Social Responsibility Programmes.

Our income will come from commissioned work from Local Authorities, business networks, and national NGOs such as the Environment Agency. We are also commissioned directly by the private sector.

### 3.5 Financial Performance and Reserves

2019/20 continued the trends of recent years, which shows gradually improving profitability and increasing levels of impact. The trust remains busy and continues to deliver a portfolio of projects across all of its thematic and geographic themes, but profit margins remain tight due in the main to the charitable nature of much of our funding, and the market conditions in which we work.

The trend shows a steady improvement in income levels, which in turn has supported an increase in both the value and reliability of Contribution to overheads – a measure of the gross profitability of our work, with the Trust making the largest contribution to overheads from its operational programme for the last 9 years.

Financial yields – our ability to turn staff costs into profit (up 4%) and income into profit (up 2%) – are all steadily improving. Furthermore, the contribution is becoming more evenly distributed across our 3 core programme areas with Communities accounting for 48%, Employment 28% and Business 25%.

Overheads and staffing trends have remained relatively constant during this time

The Board has previously agreed a policy that the optimum level of unrestricted reserves should be sufficient to support continuation of delivery of the organisation's activities for six months.

The Trustees have considered the following factors when setting this policy:

- The level of exposure to short-term fluctuations in income
- The need for capital and other longer-term investment
- The anticipated level of working capital required to support the expected portfolio of future projects
- The level of contingent liabilities to which the Trust is exposed, especially staff and premises related costs

In November 2017, taking account of all these factors, the Trustees consider the desirable level of free reserves to be £1,500,000. Being considerably short of this target, the Board set an intermediate (2 - 3 years) target of £750,000 and at 31 March 2020 we have moved closer to this target with unrestricted reserves of £602,818. We will continue to accumulate any free reserves for the foreseeable future.

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

### 3.6 Risk Management

The Board fully accepts 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. Major risks are those that have a high probability of occurring, and would if they occurred, have a severe impact on either operational performance or achievement of purposes, or could damage Groundwork's reputation.

The Board monitors the development and operation of the risk management process. The process which operates as both a top-down and bottom-up mechanism, is designed to enable the Board to conclude whether the major risks to which the charity is exposed have been identified and reviewed, and that systems have been established to mitigate these risks.

The Senior Management Team has:

- Reviewed the main corporate risks
- Established a comprehensive risk register and mapping of all the significant risks which may impact on Groundwork's core purposes and key objectives
- Established a bottom-up and top-down process of risk identification, assessment, mitigation and monitoring for all likely risks within the Trust and wider Federation partners.
- Produced a detailed annual report to the Board setting out the action designed to eradicate or mitigate the risks identified.

The Board considered the annual report from the Senior Management (SMT) at its meeting in March 2020 and identified the areas of risk to concentrate action on to address and mitigate impact. The SMT updates the Board on a quarterly basis (or when appropriate) on the progress of the risk management plan.

The areas of highest risk for GCLM were identified as:

- *Failure to manage profitability.* Although significant improvement has been made in profitability in recent years, the Trust operates in a market where projects are very marginal and access to unrestricted funding is limited. As such, it is important that a thorough project appraisal is undertaken before accepting a new project, project management controls remain tight, and that corporate financial monitoring and reporting remains accurate and timely.
- *Failure to manage cash flow.* Despite improvement, the Trust's free cash reserves are still lower than the Board reserves policy require. As such, exposure of the Trust to loss making projects and/or those which have a large cash requirement place pressure on the ability of our cash to service the requirements of the Trust. Regular and accurate cash flow forecasting, effective project appraisal, and effective cash control and debt recovery processes are in place to manage this risk.
- *Criminal attack.* Fraud and cybercrime are now considered to be a much greater threat to the Trust than previously. Cyber security is constantly reviewed and during 2019/20 the Trust implemented the requirements of the industry standard Cyber Essentials Plus.
- *Safeguarding and health & safety.* Due to the nature of GCLM activities, engaging with a large number of the public, either on a regular or casual basis, these issues will always present a heightened risk for GCLM. A new Safeguarding Policy (with training) was adopted by the Board in March 2018 and refreshed in July 2020.

The Trust 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 the risk management processes are embedded throughout the Trust and that these processes are used to help identify at an early stage issues that affect performance or achievement of purpose. However, the Board recognises that a risk management system can only seek to manage, rather than eliminate risk or failure, and that it should therefore be only one of the tools that the Board uses to provide effective control and administration of the charity.

#### Covid 19

Since the end of 2019/20 we have witnessed the global Covid 19 pandemic. The ensuing lockdown(s) left the Trust unable to operate many of its projects, with some projects redesigned to deliver on-line and others repurposed to support local covid relief efforts. In response to managing the risk that this has created, the Trust has implemented a mitigation plan that includes:

- **Reduced wages.** Through a combination of wage subsidy and wage reduction offered by the Coronavirus Job Retention Scheme, the Trust has reduced its wage bill by almost £1/2m. In addition, the SMT took a 20% pay cut for 2 months.

## **GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE**

- Reduced overhead. The Trust negotiated reductions and payment holidays on its rent and service contracts, reducing accommodation costs from £11k per month to £2k per month for Q1 and Q2, and its overall overhead from £50k per month to £30k per month for the same period
- Secured £45k in discretionary local authority support grants.
- Applied for and was successful with a series of covid project support grants.
- Worked with all of our funders and commissioners to tie down their support.

Although it is envisaged that there will be much longer term impacts on the work of the Trust due to the Covid Pandemic, the actions taken has minimised the short term risks to the Trust quite significantly.

### **Brexit**

The confused nature of the Brexit process and its implementation has made it difficult for the Trust to quantify the nature of its risk and to plan effectively for its implementation. The Trust does not directly import or export goods or services. However, our supply chain will no doubt be effected.

The communities we serve will certainly be effected, and should unemployment, poverty, health and public sector spending deteriorate then the demand for our work will increase.

Our reliance on directly funded EU income to fund our work has become limited in recent years, and our direct exposure to its withdrawal will be minimal.

## **GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE**

### **3.7 Our Governance**

#### **a) Governing document**

The charity is a company limited by guarantee in England and Wales number 01764848 and governed by its Memorandum and Articles of Association dated 13/03/2015.

It is a registered charity with the Charity Commission, number 514727.

#### **b) Members of the company**

The members of the company comprise seven local authorities in the North West of England and Groundwork UK (the national body of Groundwork trusts that works to support their local delivery through national relationships, resources and representation).

#### **c) The Board of Trustees**

The Board of Trustees comprises of a maximum of 12 and a minimum of 6 trustees who are, in accordance with the Charities Act 2011, also the directors of the company in accordance with the Companies Act 2006. Trustees are nominated and appointed by a decision of the Trustees.

#### **d) Terms of Office**

Trustees serve for a term of 3 years and are appointed each year at the AGM. After 3 years they may be reappointed but they must take a break for at least one year following 2 consecutive terms.

#### **e) Induction and Training**

New members of the Board of Trustees are provided with the Trust's Induction Handbook and other key documents and have an induction meeting with the Executive Director and members of the Senior Management Team.

#### **f) Organisational Structure**

In addition to quarterly Board meetings, the Board has delegated some duties to a Finance Committee.

The Board of Trustees have agreed terms of reference for this committee but reserves decision making powers to the Board. The committee reviews matters relevant to its terms of reference and makes recommendations to the full Board of Trustees. The Board has responsibility for the overall strategy and policy of the Trust and approves the forward strategy and Annual Business Plan.

### **3.8 Pay and remuneration for senior staff**

The Trustees consider that the Board of Trustees and the Senior Management Team comprise the key management personnel of the charity, in charge of directing and controlling, running and operating the Charity on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year.

The pay of the senior staff is reviewed annually but there is no commitment to annual increments for length of service or in response to inflation. When considering recruitment for senior staff, pay levels are benchmarked against other third sector organisations of comparable size and the internal pay scale.

### **3.9 Related parties**

Details of related party transactions are given in the notes to the financial statements.

### **3.10 Relations within the Groundwork Network**

The Trust is a member of the Groundwork Federation and works closely with colleagues at our Federal Office – Groundwork UK - in Birmingham and our colleagues in neighbouring Trusts across the North.

The benefits of this partnership working are numerous:

- We continue to support Groundwork UK with the development and delivery of National Programmes;
- We participate within national quality framework and practitioner development programmes;
- We work with other Trusts to commission joint services, thereby ensuring quality whilst sharing costs
- We work together at sub-regional, regional and national level to ensure effective engagement with bodies such as National Government, the Environment agency, the Lottery Community Fund and Local Enterprise Partnerships;
- We work together to share the cost of developing new projects and services.
- We work together to bid for the delivery of cross-trust commissions

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

### 3.11 Our People and Advisors

DIRECTORS & TRUSTEES	Tracy Fishwick (Chair)	
	Paul Roots	
	Todd Holden	
	Andrew Upton	Resigned 25 September 2020
	Guy Parker	
	Philip Hargreaves	
	Chris Wilkinson	
	Holly Ball	Appointed 12 July 2019
	Sian Jay	Appointed 11 October 2019
COMPANY SECRETARY	Andrew Darron	
SENIOR MANAGEMENT TEAM	Executive Director	Andrew Darron
	Programme Director - Employment & Skills	Colin Greenhalgh
	Programme Director - Business	Greville Kelly
	Programme Director - Sustainable Communities	Jon Hutchinson
	Director – Finance & Support Services	Pam Bleasdale
REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS	74-80 Hallgate Wigan Greater Manchester WN1 1HP	
EXTERNAL AUDITORS	Beever and Struthers St George's House 215-219 Chester Road Manchester M15 4JE	
BANKERS	Lloyds plc 2-6 Market Street Wigan WN1 1JN	
SOLICITORS	Stephensons Wigan Investment Centre Waterside Drive Wigan WN3 5BA	



### 3.12 Statement of Directors' and Trustees' Responsibilities

Company law requires the Directors (who are also the Trustees under charity law) to prepare financial statements for each financial year, which give a true and fair view of the state of the charity and of the surplus or deficit of the charity for that period.

In preparing those financial statements the trustees are required to:

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

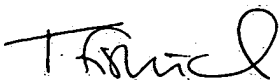
The trustees are responsible for keeping records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and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

### 3.13 Statement of disclosure to Auditors

The trustees of the charity who held office at the date of approval of these Financial Statements (as set out above) each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charity's auditors are unaware; and
- we have taken all the steps that we ought to have taken as trustees in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the Board and signed on its behalf by:



Tracy Fishwick - Trustee and Chair

11 December 2020

## 4 INDEPENDENT AUDITOR'S REPORT

### 4.1 Opinion

We have audited the financial statements of Groundwork Cheshire, Lancashire & Merseyside "the charitable company" for the year ended 31 March 2020 which comprise the Statement of Financial Activities including, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2020 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 4.2 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 charitable company 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.

### 4.3 Conclusions relating to going concern

We have nothing to report to you 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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### 4.4 Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the other information. 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.

### **4.5 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

### **4.6 Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **4.7 Responsibilities of trustees**

As explained more fully in the Statement of Directors' and Trustees' Responsibilities set out on page 16, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **4.8 Auditor's 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 web-site at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **4.9 Use of our report**

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

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

other than the charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

*Beever and Struthers*

**Sue Hutchinson** (Senior Statutory Auditor)

For and on behalf of

**BEEVER AND STRUTHERS**  
**Statutory Auditor**

**St George's House**  
**215-219 Chester Road**  
**Manchester**  
**M15 4JE**

DATE: 18 December 2020

# GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

## 5 CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020 (including the Income & Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2020 £	TOTAL 2019 £
INCOME:					
Donations	2	-	-	-	-
Charitable activities	3	1,592,556	3,103,654	<b>4,696,210</b>	6,878,145
Other trading activities	4	15,547	-	<b>15,547</b>	11,266
Investment income – bank interest		701	-	<b>701</b>	563
<b>TOTAL INCOME</b>		<u>1,608,804</u>	<u>3,103,654</u>	<u><b>4,712,458</b></u>	<u>6,889,974</u>
EXPENDITURE:					
Charitable activities	5	<u>1,608,438</u>	<u>3,092,577</u>	<u><b>4,701,015</b></u>	<u>6,204,082</u>
<b>TOTAL EXPENDITURE</b>		<u>1,608,438</u>	<u>3,092,577</u>	<u><b>4,701,015</b></u>	<u>6,204,082</u>
<b>NET INCOME/ (EXPENDITURE)/ Net movement in funds</b>		366	11,077	<b>11,443</b>	685,892
Total fund brought forward	13	<u>710,641</u>	<u>747,784</u>	<u><b>1,458,425</b></u>	<u>772,533</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	13	<u>711,007</u>	<u>758,861</u>	<u><b>1,469,868</b></u>	<u>1,458,425</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 33 form part of these financial statements.

# GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

## 6 CHARITY BALANCE SHEET AS AT 31 MARCH 2020

	Notes	2020 £	2020 £	2019 £	2019 £
<b>FIXED ASSETS</b>					
Tangible assets	9		113,712		115,085
Investments	10		2		2
			<u>113,714</u>		<u>115,087</u>
<b>CURRENT ASSETS</b>					
Debtors	11	993,137		1,589,839	
Cash in hand and at bank		<u>1,312,597</u>		<u>937,015</u>	
		<b>2,305,734</b>		<b>2,526,854</b>	
<b>CREDITORS</b>					
Amounts falling due in one year	12	949,580		1,183,516	
<b>NET CURRENT ASSETS</b>			<u>1,356,154</u>		<u>1,343,338</u>
<b>NET ASSETS</b>			<u><b>1,469,868</b></u>		<u><b>1,458,425</b></u>
<b>FUNDS</b>					
Unrestricted	13		711,007		710,641
Restricted	13		<u>758,861</u>		<u>747,784</u>
			<u><b>1,469,868</b></u>		<u><b>1,458,425</b></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 22 to 33 form part of these financial statements.

**Approved by the Board of Trustees and authorised for issue on 11 December 2020**



Tracy Fishwick – Chair

Company registration number: 01764848

# GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

## 7 CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
<b>Reconciliation of Net Movement in Funds, to Net Cashflow from Operating Activities – (Outgoing)/ Incoming</b>		
Net income / (expenditure) after taxation	11,442	685,892
Interest receivable	(701)	(563)
Rental income	(12,805)	(9,288)
Depreciation	16,492	17,464
Surplus/ loss on sale of fixed assets	-	-
(Increase) / Decrease in Debtors	596,702	(887,116)
Increase / (Decrease) in Creditors	<u>(233,936)</u>	<u>427,487</u>
<b>Net cash inflow / (outflow) from operating activities</b>	<u>377,194</u>	<u>233,876</u>
<b>Cashflows from / used in financing activities</b>	-	-
<b>Cashflows from investing activities</b>		
Interest	701	563
Purchase of tangible fixed assets	(15,118)	(14,118)
Rental income	12,805	9,288
Receipts from sale of fixed assets	-	-
<b>Cash (used in)/ provided by investing activities</b>	<u>(1,612)</u>	<u>(4,267)</u>
<b>Increase/ (Decrease) in cash in the year</b>	375,582	229,609
<b>Cash and cash equivalents as at 1 April 2019</b>	<u>937,015</u>	<u>707,406</u>
<b>Cash and cash equivalents as at 31 March 2020</b>	<u>1,312,597</u>	<u>937,015</u>

The notes on pages 22 to 33 form part of these financial statements.

## 8 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 1. Accounting Policies

#### BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 as amended by the update at March 2018; FRS102 (as amended in July 2016); and the Companies Act 2006. The accounts are presented in pounds sterling (£).

The charity constitutes a public benefit entity as defined by FRS102

#### ALLOCATION OF SUPPORT COSTS

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include property costs, back office functions, compliance and professional fees. The basis of allocations is set out in note 6.

#### CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and investments which are accessible within three months.

#### CONSOLIDATION

The charity's subsidiary has not been consolidated into the financial statements on the grounds that it is immaterial. Details of the subsidiary are given in note 10.

#### CONTINGENT ASSETS

Contingent assets are not recognised in the accounts unless they are virtually certain to crystallise. Contingent assets which do not meet this requirement but which are viewed as likely to crystallise, are disclosed in the notes to the accounts.

#### CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has an existing obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

#### DEBTORS

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

#### EXPENDITURE AND IRRECOVERABLE VAT

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

- Costs of raising funds – including those associated with fundraising activities, managing investments and commercial trading by the subsidiary company.
- Charitable activities – costs of undertaking the work of the charity.

The charity is registered for VAT and is able to recover some of the input tax charged as it relates to 'Vatable' supplies. Costs are stated net of VAT where charged and irrecoverable VAT is included as a separate charge either within direct costs or support costs as appropriate.



## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

### FINANCIAL INSTRUMENTS

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

### GOING CONCERN

There are no material uncertainties about the charity's financial ability to continue to operate for the foreseeable future, therefore the accounts have been prepared on a going concern basis.

### INCOME RECOGNITION

The Trust's incoming resources comprise of a mixture of earned income (generally subject to VAT) and grants. In many cases, these grant agreements and commercial contracts involve transactions that span more than one accounting period.

For all categories of earned income, total incoming resources for each accounting year is calculated by reference to the extent to which the Trust has met the substantive performance obligations at the balance sheet date.

Earned income – To the extent that the Trust has not invoiced or received earned income monies but has met contractual performance obligations, then such amounts are added to total incoming resources and reported as a current asset (amounts recoverable on contracts) in the balance sheet.

Deferred income is unrestricted income received in the year for activity in future periods.

Earned income arising from long-term contracts and contracts for on-going services is recognised by reference to:

- The stage of completion of the whole contract
- An assessment of the risks that such contracts will not be completed as expected.

Grant income – With regard to grant income, the income is recognised in a particular accounting period to the extent that the Trust is able to demonstrate its entitlement to the income and its control over it.

Generally, the control test is not considered to be satisfied where:

- The grantor has closely specified performance criteria that must be met before the charity can establish entitlement to the grant
- There is some other material condition of the grant that the charity has not met at the balance sheet date and where there is doubt about whether it will be met eventually

However, where the control test is satisfied then grant income is recognised in the earliest accounting period that this condition is met. The control test is generally viewed as satisfied when the outstanding matters necessary to confirm entitlement are administrative in nature and under the control of the charity.

Furthermore, the restriction of the purposes for which the grant may be expended is not of itself regarded as indicative that the charity does not control the income/ asset.

Donations – Donations from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

Accruals – Any restricted income due according to agreements or contracts but not received are accrued for and included in the accounts in the usual way. It is necessary on some contracts to estimate the income that will be due as, although the activity may be completed, the funder may reject some claims. These estimates are made on a prudent but reasonable basis so that any differences are not material.

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

Consortium projects – Generally, provided the charity is acting as principal, income and expenditure processed in connection with consortium projects is accounted for in the same way as other transactions.

However, when the charity is acting as agent for a consortium body (regardless of whether that body is incorporated or not) then the only transactions reflected in these accounts are those that relate to the charity's own transactions. Transactions through the charity's bank accounts which represent income and expenditure attributable to third parties are excluded from the Statement of Financial Activities (SoFA), and any balances owed to third parties at the end of the accounting period are treated as Restricted Funds and included in the charity's bank balances.

### JUDGEMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

### OPERATING LEASES

Operating lease payments are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

### PENSION CONTRIBUTIONS

The charity operates two defined contribution pension schemes for its employees, through a third party provider. Contributions are charged to the SoFA as they become payable.

### PROJECT FIXED ASSETS

Fixed assets (ie items of equipment with an expected life exceeding one year) purchased using project funds are not capitalised. They are included as expenditure and do not appear on the balance sheet. These assets may be reclaimed by the funder at the end of the project.

### RESTRICTED FUNDS

Business Improvement District contracts include two services: delivering the services set out in the proposal and providing custodial and processing services for the BID levy monies. BID monies are held separately but included in the balance sheet and any monies not used when a BID contract ends will return to the BID and hence the service is classified as restricted.

### TANGIBLE FIXED ASSETS AND DEPRECIATION

Individual fixed assets costing more than £500 are capitalised at cost and are depreciated over their estimated useful lives on a straight line basis as follows:

Motor vehicles	25%
Fixtures and equipment	15%/ 20%/ 25%/ 33%/50%
Buildings	2%
Building alterations	15%

# GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

## 2. Income from donations and legacies

	2020 Unrestricted £	2020 Total £	2019 Unrestricted & Total £
Local Government core funding	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 3. Income from charitable activities

### Project income

	Unrestricted £	2020 Restricted £	Total £	Unrestricted £	2019 Restricted £	Total £
Business	108,404	909,042	1,017,446	85,507	967,119	1,052,626
Communities Employment & Skills	516,099	1,742,561	2,258,660	725,848	3,331,507	4,057,355
	968,053	452,051	1,420,104	967,233	800,931	1,768,164
	<u>1,592,556</u>	<u>3,103,654</u>	<u>4,696,210</u>	<u>1,778,588</u>	<u>5,099,557</u>	<u>6,878,145</u>

## 4. Income from other trading activities

	Unrestricted £	2020 Restricted £	Total £	Unrestricted £	2019 Restricted £	Total £
Rent	12,804	-	12,804	9,288	-	9,288
Sale of plant & equipment	-	-	-	250	-	250
Training refreshments	2,743	-	2,743	1,729	-	1,729
	<u>15,547</u>	<u>-</u>	<u>15,547</u>	<u>11,267</u>	<u>-</u>	<u>11,267</u>

## 5. Charitable expenditure

	Unrestricted £	2020 Restricted £	Total £	Unrestricted £	2019 Restricted £	Total £
Business	9,752	930,262	940,014	10,191	826,639	836,830
Communities Employment & Skills	437,482	1,711,858	2,149,340	552,028	2,785,665	3,337,693
	1,161,204	450,457	1,611,661	1,227,178	802,381	2,029,559
	<u>1,608,438</u>	<u>3,092,577</u>	<u>4,701,015</u>	<u>1,789,397</u>	<u>4,414,685</u>	<u>6,204,082</u>

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

Expenditure in the charity is analysed as follows:

<b>2020</b>	Direct costs £	Direct salaries £	Support costs £	Total £
Business	671,953	214,847	53,214	<b>940,014</b>
Communities	1,268,082	668,915	212,343	<b>2,149,340</b>
Employment & Skills	<u>334,158</u>	<u>932,262</u>	<u>345,241</u>	<u><b>1,611,661</b></u>
	<u><b>2,274,193</b></u>	<u><b>1,816,024</b></u>	<u><b>610,798</b></u>	<u><b>4,701,015</b></u>

**2019**

<i>Business</i>	592,442	201,694	42,694	<b>836,830</b>
<i>Communities</i>	2,564,645	608,399	164,649	<b>3,337,693</b>
<i>Employment &amp; Skills</i>	<u>473,588</u>	<u>1,192,174</u>	<u>363,797</u>	<u><b>2,029,559</b></u>
	<u><b>3,630,675</b></u>	<u><b>2,002,267</b></u>	<u><b>571,140</b></u>	<u><b>6,204,082</b></u>

### 6. Support costs

<b>2020</b>	Premises costs £	Support salaries £	Transport costs £	Governance costs £	Office costs £	Total £
Business	11,292	30,132	1,546	1,426	8,818	<b>53,214</b>
Communities	45,061	120,235	6,168	5,690	35,188	<b>212,343</b>
Employment & Skills	<u>73,263</u>	<u>195,487</u>	<u>10,029</u>	<u>9,251</u>	<u>57,211</u>	<u><b>345,241</b></u>
	<u><b>129,616</b></u>	<u><b>345,854</b></u>	<u><b>17,743</b></u>	<u><b>16,367</b></u>	<u><b>101,217</b></u>	<u><b>610,798</b></u>

**2019**

<i>Business</i>	8,954	23,181	1,179	969	8,411	<b>42,694</b>
<i>Communities</i>	34,530	89,397	4,547	3,736	32,439	<b>164,649</b>
<i>Employment &amp; Skills</i>	<u>76,294</u>	<u>197,526</u>	<u>10,046</u>	<u>8,256</u>	<u>71,675</u>	<u><b>363,797</b></u>
	<u><b>119,778</b></u>	<u><b>310,104</b></u>	<u><b>15,772</b></u>	<u><b>12,961</b></u>	<u><b>112,525</b></u>	<u><b>571,140</b></u>

### Governance costs

	<b>2020</b> £	<b>2019</b> £
Professional and legal fees	<u><b>16,367</b></u>	<u><b>12,961</b></u>

### Apportioned costs are allocated on the following basis:

Support salaries are based on the % of total staff

All other costs are allocated based on staff numbers.

# GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

## 7. Staff information

Employees	2020 £	2019 £
Salaries and wages	1,913,106	2,073,909
Pension costs	67,037	62,775
Employer's NI contributions	158,487	171,067
Termination costs	13,591	-
	<u>2,152,221</u>	<u>2,307,751</u>

The emoluments of one member of staff, including benefits in kind, are within the range of £60,000 to £69,999 (2019 one in the range £60,000 to £69,999), not including retirement benefits which are accruing under a defined contribution scheme.

## Key management

The key management of the charity comprise of the Trustees and senior management team as noted on page 15.

The Trustees do not receive any remuneration for their services.

Total remuneration, including benefits, paid to key management personnel as defined on page 12, amounted to £273,425 (2019 – £279,424).

## Average staff numbers

	2020 £	2019 £
Direct charitable	69	78
Administration and support	8	7
Marketing and publicity	1	1
	<u>78</u>	<u>86</u>
Average headcount	<u>90</u>	<u>97</u>

In addition, a great amount of time, the value of which it is impossible to reflect in these financial statements, is donated by hundreds of volunteers across our projects.

## 8. Net income / (expenditure)

This is stated after credited / (charging):	2020 £	2019 £
Auditors' remuneration	7,992	6,972
Operating lease rentals	119,970	130,273
Depreciation of fixed assets	16,491	17,464
Trustees expenses relating to travel and accommodation	66	-
	<u>1</u>	<u>0</u>
Trustees having expenses reimbursed or paid on their behalf		

# GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

## 9. Tangible fixed assets

	Buildings £	Building Alterations £	Fixtures & equipment £	Motor vehicles £	Total £
Cost					
As at 1 April 2019	95,001	75,656	266,185	114,888	551,730
Additions	-	-	15,118	-	15,118
Disposals	-	-	-	-	-
As at 31 March 2020	<u>95,001</u>	<u>75,656</u>	<u>281,303</u>	<u>114,888</u>	<u>566,848</u>
Depreciation					
As at 1 April 2019	7,599	70,247	251,033	107,766	436,645
Charge for the year	1,899	605	9,238	4,749	16,491
On disposals	-	-	-	-	-
As at 31 March 2020	<u>9,498</u>	<u>70,852</u>	<u>260,271</u>	<u>112,515</u>	<u>453,136</u>
Net Book Value					
As at 31 March 2020	<u>85,503</u>	<u>4,804</u>	<u>21,032</u>	<u>2,373</u>	<u>113,712</u>
As at 31 March 2019	<u>87,402</u>	<u>5,409</u>	<u>15,152</u>	<u>7,122</u>	<u>115,085</u>

## 10. Fixed Assets Investments

During the year, the charity owned 100% of the issued share capital of dormant companies at the following cost:

	2020 £	2020 No	2019 £	2019 No
Groundwork Environmental Services (Cheshire) Ltd.(Incorporated in England - 02156212)				
– par value of shares £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

## 11. Debtors

	2020 £	2019 £
Trade debtors	437,503	655,313
Other debtors	-	28,588
Amounts recoverable on contracts	525,305	859,910
Owed from group company	8,305	8292
Prepayments	<u>22,024</u>	<u>37,736</u>
	<u>993,137</u>	<u>1,589,839</u>

## 12. Creditors falling due within one year

	2020 £	2019 £
Trade creditors	492,545	508,415
Other taxes and social security	90,729	177,036
Accruals	135,932	452,994
Other creditors	14,634	9,109
Deferred income	<u>215,740</u>	<u>35,962</u>
	<u>949,580</u>	<u>1,183,516</u>
Analysis of deferred income:		
Balance brought forward	35,962	129,497
Released in year	(22,976)	(110,546)
Deferred in year	<u>202,754</u>	<u>17,011</u>
	<u>215,740</u>	<u>35,962</u>

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

### 13. Statement of funds

	01/04/2018 £	Income £	Expenditure £	Transfer £	31/03/2019 & 01/04/2019 £	Income £	Expenditure £	Transfers £	Total 31/03/2020 £
<b>Unrestricted funds (all charitable):</b>									
General funds	709,621	1,790,417	(1,789,397)	-	710,641	1,608,804	(1,608,438)	-	711,007
Designated funds	-	-	-	-	-	-	-	-	-
	<u>709,621</u>	<u>1,790,417</u>	<u>(1,789,397)</u>	<u>-</u>	<u>710,641</u>	<u>1,608,804</u>	<u>(1,608,438)</u>	<u>-</u>	<u>711,007</u>
<b>Restricted funds:</b>									
Project funds (detail below)	62,912	5,099,557	(4,414,685)	-	747,784	3,103,654	(3,092,577)	-	758,861
	<u>62,912</u>	<u>5,099,557</u>	<u>(4,414,685)</u>	<u>-</u>	<u>747,784</u>	<u>3,103,654</u>	<u>(3,092,577)</u>	<u>-</u>	<u>758,861</u>
<b>Total funds</b>	<u>772,533</u>	<u>6,889,974</u>	<u>(6,204,082)</u>	<u>-</u>	<u>1,458,425</u>	<u>4,712,458</u>	<u>(4,701,015)</u>	<u>-</u>	<u>1,469,868</u>
<b>Restricted funds:</b>									
A4A – PT Farrington	279	2,400	(2,679)	-	-	(25)	25	-	-
Selnet BBO - Age of Opportunity	-	23,699	(23,699)	-	-	10,398	(8,804)	-	1,594
Selnet BBO – Changing futures	-	78,627	(78,627)	-	-	84,138	(84,138)	-	-
Selnet BBO – Invest in Youth	-	101,457	(101,457)	-	-	120,970	(120,970)	-	-
GGHT BBO – New Leaf	-	52,668	(52,668)	-	-	33,423	(33,423)	-	-
Big Local Rudheath & Witton	31,630	159,437	(141,002)	-	50,065	190,050	(174,927)	-	65,188
Wargrave Big Local	-	635	(635)	-	-	-	-	-	-
Big Local - Windmill Hill	23,269	168,531	(184,145)	-	7,655	153,251	(110,365)	-	50,541

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

	01/04/2018	Income	Expenditure	Transfer	31/03/2019 & 01/04/2019	Income	Expenditure	Transfers	Total 31/03/2020
	£	£	£	£	£	£	£	£	£
Big Local - Latchford	-	-	-	-	-	99,539	(15,655)	-	83,884
Job Club Ashton U Lyne	1,449	3,920	(5,369)	-	-	-	-	-	-
New Leaf Outreach	-	114,073	(114,073)	-	-	46,658	(46,658)	-	-
New Leaf Mentoring	-	426,489	(426,489)	-	-	123,914	(123,914)	-	-
Grow Speke Community Zone	6,285	61,690	(60,500)	-	7,475	55,207	(57,157)	-	5,525
Winsford BID	-	151,256	(104,554)	-	46,702	111,189	(107,032)	-	50,859
Northwich Town Centre BID	-	252,971	(252,971)	-	-	199,679	(199,679)	-	-
Gadbrook Park BID	-	243,494	(243,494)	-	-	220,677	(220,677)	-	-
Warrington TEC BID	-	226,480	(166,493)	-	59,987	273,927	(333,914)	-	-
West Chester BID	-	92,918	(59,126)	-	33,792	103,569	(68,960)	-	68,401
HLF – Winckley Sq.	-	66,460	(66,460)	-	-	27,579	(27,579)	-	-
HLF - Rivington	-	2,145,276	(2,145,276)	-	-	1,075,296	(1,075,296)	-	-
Our Bright Future – Green Leaders	-	36,341	(36,341)	-	-	-	-	-	-
The Big Thank You concert	-	2,596	(2,596)	-	-	-	-	-	-
R Douglas Fisheries project	-	500,000	(15,148)	-	484,852	-	(55,315)	-	429,537
Rivington Festival of Light	-	12,054	(12,054)	-	-	7,157	(7,157)	-	-
Saltscape Legacy Heritage	-	64,249	(6,993)	-	57,256	-	(56,256)	-	1,000
Amberswood Allotment	-	6,501	(6,501)	-	-	1,499	(1,499)	-	-
Blackpool Community Farm	-	105,335	(105,335)	-	-	106,039	(103,707)	-	2,332
Rivington Viking March	-	-	-	-	-	981	(981)	-	-
Rivington Music Festival	-	-	-	-	-	14,479	(14,479)	-	-
Nature Friendly Schools	-	-	-	-	-	8,010	(8,010)	-	-
Love My River Pass On Plastic	-	-	-	-	-	2,500	(2,500)	-	-



## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

	01/04/2018 £	Income £	Expenditure £	Transfer £	31/03/2019 & 01/04/2019 £	Income £	Expenditure £	Transfers £	Total 31/03/2020 £
Roots to Wellbeing	-	-	-	-	-	32,550	(32,550)	-	-
Knowsley	-	-	-	-	-	1,000	(1,000)	-	-
Love My River – Chorley	-	-	-	-	-	-	-	-	-
WEG	-	-	-	-	-	-	-	-	-
	<u>62,912</u>	<u>5,099,557</u>	<u>(4,414,685)</u>	<u>-</u>	<u>747,784</u>	<u>3,103,654</u>	<u>(3,092,577)</u>	<u>-</u>	<u>758,861</u>

Big Local Windmill Hill / Rudheath & Witton/ Latchford – Big lottery funding to enable residents to meet the five key priorities they identified in their areas and make a lasting and positive difference to their communities. These are 10 year projects with funds expected to be fully utilised by the end.

BBO and New Leaf programmes - Supporting unemployed people to get into work, training or volunteering, the groups offer different age focus.

Grow Speke – Mixed funding to redevelop a former urban social club site into a community horticulture facility.

Rivington – Heritage Lottery funding to reinstate former private gardens of Lord Leverhulme with and for community / public involvement and future use.

Rivington Music Festival, Festival of Light and Viking March – Match fundraising for the Rivington project.

Winckley Square – Reinvigoration of a Victorian civic space for community benefit.

Business Improvement District (BID) – Contracts to deliver safer, cleaner, supported and sustainable environments using levies on local businesses.

River Douglas Fisheries project – Payment from United Utilities in lieu of Environment Agency fine, for water environmental works.

Saltscape Legacy Heritage – HLF grant for maintenance of project profile.

Amberswood Allotment – Tesco Bags of Help Scheme grant for community allotment.

Blackpool Community Farm – Big Lottery Reaching Communities for the educational community allotment at the Grange.

Nature Friendly Schools – Funding to advise secondary schools about outdoor education and ground improvements.

Love My River Pass on Plastic – Tesco Bags of Help grant, to engage communities and raise awareness regarding plastic pollution in rivers.

Love My River Chorley WEG – Funded by the Environment Agency WEG grant to provide community and volunteer engagement activities in specific areas.

Roots to Wellbeing Knowsley – Mixed funding to improve health and wellbeing and employability skills for the unemployed and economically inactive.

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

### 14. Analysis of net assets between funds

Fund balances at 31 March 2020 are represented by:

	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	108,189	5,525	113,714
Net current assets	602,818	753,336	1,356,154
	<u>711,007</u>	<u>758,861</u>	<u>1,469,868</u>

Fund balances at 31 March 2019 are represented by:

Tangible fixed assets	107,612	7,475	115,087
Net current assets	603,029	740,309	1,343,338
	<u>710,641</u>	<u>747,784</u>	<u>1,458,425</u>

Free reserves:

	2020	2019
Net current assets	<u>£602,818</u>	<u>£603,029</u>

### 15. Analysis of changes in net debt

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash and cash equivalents	937,015	375,582	1,312,597
	<u>937,015</u>	<u>375,582</u>	<u>1,312,597</u>

### 16. Constitution

The company is limited by guarantee and does have share capital. In the event of the charity being wound up the members are committed to contributing £1 each.

### 17. Taxation

The charity is a registered charity and is entitled to claim annual exemption from UK corporation tax under sections 466 to 477 of the Corporation Tax Act 2010.

### 18. Other commitments

In April 2018, the charity entered into formal contracts for works and services totalling £2,617,422 with contractors, Rivington Heritage Trust (RHT) and United Utilities (UU) to deliver a programme of refurbishment for RHT on UU land, funded by the Heritage Lottery Fund (HLF). The role of the charity is to design the scheme, deliver, project manage and develop it as a community involvement vehicle for RHT. Financial risks are covered by GCLM insurance, or underwritten by UU, or by the HLF, as appropriate to the individual risk.

At 21 October 2020, the outstanding capital commitment to third parties under the contract was in the region of £14k, allowing for variations to works.

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

### 19. Related party transactions

There are no transactions with Trustees which require disclosure.

No trustee or member of the charity has any commercial interest in the charity. The Board is comprised of independent trustees, and although they are accountable to the members, the members do not have Board nomination rights. It is therefore considered that there is no ultimate controlling party for the charity.

### 20. Lease commitments

Operating leases

At the year end the charity had the following minimum commitments under operating leases

	2020 £	2019 £
Payable within		
One Year	69,020	121,333
Between 2 and 5 year	90,040	6,522
After more than 5 years	-	-
	<u>159,060</u>	<u>127,855</u>