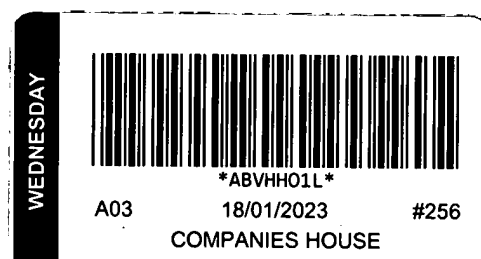


GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

Annual Report and Financial Statements 2021/22

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



GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

Contents

1	ABOUT GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE	3
1.1	Our Vision	3
1.2	Why our work is needed.....	3
1.3	The change we deliver.....	4
1.4	Our values.....	4
2	CHAIR'S STATEMENT.....	5
3	TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022.....	6
3.1	Purposes & Public Benefit	6
3.2	Public Benefit Statement.....	6
3.3	Review of the Year ended 31 March 2022	7
3.4	Our plans for the future.....	11
3.5	Our 2022/23 Work Programme.....	12
3.6	Financial Performance.....	13
3.7	Reserves.....	13
3.8	Risk Management.....	14
3.9	Our Governance	15
3.10	Pay and remuneration for senior staff	15
3.11	Related parties.....	15
3.12	Relations within the Groundwork Network	16
3.13	Our People and Advisors	17
3.14	Statement of Directors' and Trustees' Responsibilities	19
3.15	Statement of disclosure to Auditors.....	19
3.16	Independent Auditor's Report to the members of Groundwork Cheshire Lancashire & Merseyside 20	
4	CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022 (including the Income & Expenditure Account)	24
5	CHARITY BALANCE SHEET AS AT 31 MARCH 2022.....	25
6	CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022.....	26
7	NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022	27

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.

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

1.3 The change we deliver

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

- *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

www.facebook.com/groundworkclm

www.twitter.com/GroundworkCLM

www.linkedin.com/company/groundwork-cheshire-lancashire-&-merseyside/

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

2 CHAIR'S STATEMENT

Once again, it gives me great pleasure to present the Annual Report and Financial Statements for Groundwork Cheshire Lancashire & Merseyside. The opportunity to look back over the past year and review just how much the Trust has accomplished – and to see how many people we have helped through our work – is just incredibly rewarding for all of us involved in this amazing charity.

The recent challenges presented by Covid began to recede during 2021/22 as the world returned to some form of normal – only for the wider challenges we face as a society to come to the fore once again. The climate crisis, the nature emergency, the cost of living crisis, the 'covid generation' – all issues that are affecting our communities right now – and therefore the concerns that are exercising our minds at present. As we approach our 40th year, the need for our work is as great as it has ever been.

And it has been fantastic to see the team at Groundwork respond to this need. From the groundbreaking work of our community hubs in Blackpool, Liverpool and Northwich – helping with food, warmth, advice and support; to the work of our nature recovery projects – helping with mossland regeneration, bio-diversity net gain, flood risk management and river heath – and of course planting lots of trees; to our support to help recovering high streets regain their vibrancy; to our Green Doctors helping 1,000s of people worried about how they will heat their homes this winter; and to how all of this helps create jobs, training and volunteering opportunities for young people – like the 45 kickstart green jobs we created.

Of course, to support the level of impact we aim to make – the change that we want to see – then we need to continue to ensure that we operate in a sustainable manner. Thanks to the hard work, skill and expertise of our staff team we continue to see strong levels of financial performance. With over £5m of income we are grateful for the support of our partners and funders. We have maintained our commitment to paying the Real Living Wage, and have improved our pay structure across the Trust. And we are working very hard to try and achieve our goal of being carbon net-zero by 2030.

I'd like to take this opportunity to thank the Board of Trustees for their hard work again this year. I'd like to thank the amazing staff team whose hard work and dedication is central to everything we achieve. And also to all of the members of our community who continue to invest their trust in us.

Tracy Fishwick

Chair, GCLM

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

3 TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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.

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.

Our work at Groundwork CLM sits within the wider context of the projects, programmes and services delivered by the Groundwork Federation. Each independent Groundwork Trust determines its own priorities and has its own charitable objectives, but also 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 parts of the community and we provide equal access to our services regardless of race, gender, disability or sexual orientation.

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.

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

3.3 Review of the Year ended 31 March 2022

a) Performance Overview

2021/22 has been a very positive year for the Trust in terms of both impact and our financial sustainability. Covid has remained an ever-present influence – as it has for all businesses and communities – but we have also been able to deliver much more this year as we’ve adapted to a ‘new normal’.

Recruitment on our people programmes has steadily improved; New commissioning is allowing our Business Team to help local Town Centre’s recover; Our community hub programme continues to grow; and we’ve been able to run our first large scale public event with over 3,000 visitors attending our Festival of Light at Rivington in the Autumn.

And ‘away’ from covid, we’ve been able to develop projects focused on tackling some of the other deep routed problems our communities face. The Cost of Living Crisis: Our Green Doctor programme has helped 900 people to reduce the cost of heating their home – and provided over £210k in emergency fuel vouchers to the most vulnerable. The climate and nature emergencies: new investment into nature recovery has allowed us to support many of those much-loved greenspaces on our doorsteps that have been rediscovered by so many of us during the past 2 years, whilst allowing us to grow our capacity and capability in this space. And we’ve planted lots of trees!

We have also played our part strategically, establishing a new landscape scale partnerships in St Helens; We’ve continued to deliver river water quality improvements through our leadership of our Catchment Based Partnerships; We’ve played a key role in Wigan’s Integrated Care Partnership; We have played an important role in Blackpool’s Pride of Place Board, St Helens Climate Commission, St Helens Town Deal Board, the Local Nature Partnerships in LCR and Lancs; and we’ve led the creation of a partnership focus on woodland creation across Lancs.

We’ve also continued to play a prominent role within the Groundwork Federation.

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

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

In relation to the change we aim to deliver, during the year we operated 65 separate projects delivering the following outcomes:



- Our Nature Recovery programme delivered significant levels of activity across the Trust's operational area, with projects in Blackpool, Chorley, West Lancs, Liverpool, Wigan, St Helens and West Cheshire. We have trained volunteers, improved habitats, improved access – and planted over 11,000 trees.
- Our COVID response in Blackpool has continued to be a key part of the Local Authority led response to the pandemic, culminating in our work being recognised by the SELNET Covid Champion award for the @theGrange team.
- We have expanded our Green Doctor programme into new areas and have developed a programme to deliver emergency fuel vouchers at scale to those most in need.
- We have been appointed the new Locally Trusted Organisation for the L30's Million Big Local partnership in Netherton, with the team now supporting 4 Big Local programmes.
- We have provided and managed over 60 Kickstart jobs for young people, both internally and externally with 60% of our kickstarters progressing into employment to date.
- We've continued to support 100s of young people each year through our Princes Trust programme.
- We achieved great NCS recruitment and retention figures despite continued Covid uncertainty throughout the year
- We brought an E&S offer to the Grange through FY Media project as part of our place based approach, further strengthening our impact.
- We've expanded our BID programme with development and delivery of new BID / Town Centre Management opportunities in 5 new locations (Bury, Blackburn, Trafford, Wilmslow and Crewe).
- We've achieved strong recovery in all of our 6 managed BID projects post covid, with levels of income moving closer to the pre-covid levels achieved and a stable staffing team generating good results with all our BIDs in terms of projects and services delivered.

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

c) What do our stakeholders say?



Rt Hon Sajid Javid MP

"At The Grange's non-stop work to get thousands of food parcels and 'meals on wheels' out to some of the most vulnerable people in the community is a remarkable achievement."



Councillor Neal Brookes (Blackpool)

"We want to protect our green spaces and encourage people to use them. We've teamed up with Groundwork and they are doing a cracking job. Hopefully this work will benefit and be appreciated for generations to come."



Joyce Jones (Liverpool)

"Grow Speke is a haven for many people within an urban environment. You engage in a very worthwhile project for the good of the community...wonderful and well done. My daughter and my grandson have spent many productive hours joining in and supporting your success...and they will continue to do so."



Sara (Blackpool)

"I was stuck at home and was out of the system. I didn't know what to do. Grow Blackpool has improved my confidence, got me out of my shell and given me a purpose."



Abbie (Blackpool)

"I thought I would struggle to speak to people I didn't know. The UFY Media course has helped me to realise that I have a lot to offer."



Sean (Wigan) - Prince's Trust Team Programme

"Thank you Groundwork for helping me to finally find something I am good at."

Sarah (Cheshire) – name changed

"I have wanted to break bad habits for a while now. This New Leaf course has given me a real lust for life and a passion for health improvement. I've loved it."



Nidal (Wigan) – Kickstart Conservation Trainee

"Working as part of the team at Groundwork felt like coming home."

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE



Angie (Leigh)

"I'd given up on life but Groundwork believed in me. Now I have a vigour for life again. I've got a job and I don't think I would have got one without this course. The kids have said that they are really proud of me and I'm proud of myself."



Sait (Wigan)

"I was left out on the streets. I felt like I had no-one and nowhere to go. I can't thank Groundwork and their partners enough for the help they gave me. I've now got my mental health under control, have a full-time job that I love and I'm just about to buy my own home."

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

3.4 Our plans for the future

a) The policy and funding environment

Our ability to deliver our mission continues to be heavily influenced by the policies and priorities of national and local government.

The political atmosphere in Westminster is likely to remain febrile and unsettled during 2022/23, particularly as parties begin to develop their positions and policies for the next general election. However, there are likely to be a number of underlying themes or long-term trends that will influence the policy and funding environment within which Groundwork is operating:

- The climate and nature crises will deepen, leading to further pressure on governments and businesses to demonstrate leadership and support practical action.
- The UK government has launched its 'levelling up' strategy and will be seeking to achieve some 'quick wins' to build voter confidence, particularly through a focus on 'pride of place' and the establishment of more devolved governance structures.
- The long tail of the Covid pandemic will continue to cause disruption and put pressure on public finances requiring ongoing flexibility and the need to operate within tight national and local spending plans.
- There is likely to be increased focus on work that can (re)build physical health and mental wellbeing and increased interest in approaches that reduce pressure on the health and social care sectors.
- The gap between the plans and priorities of the UK government and mayors is likely to remain, and possibly grow, requiring a multi-faceted response to political positioning.
- The transition from EU Structural Funds to a new UK Shared Prosperity Fund is likely to lead to gaps in provision, but also new opportunities for more joined-up programmes of social and economic regeneration.

Underneath this national framework, there will be local drivers too.

- In Blackpool, our role within the Pride of Place Board will continue to drive the Trust's efforts in the town, with our focus on Community Hubs continuing to influence the way we do business;
- In Wigan, we see our role supporting the Community Health and Wealth building philosophy adopted by the Town increasing, growing our focus on nature based projects and using those to help tackle wider social and health determinants;
- In St Helens, we will continue to be influenced by the Council as its new leadership team gains traction, with a clear role for Groundwork to play in landscape scale heritage/nature projects, supporting biodiversity net gain, tackling fuel poverty and support to help young people back to work;
- The focus on Town Centre renewal will continue to provide opportunities for our BIDs team across the North West;
- In Lancashire, we are encouraging the development of a countywide woodland strategy in order to help the county play an increased role in achieving national tree targets.
- In all localities we will see the emerging Shared Prosperity Fund proposals.

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

3.5 Our 2022/23 Work Programme

Our work programme this year is underscored by the guiding principles contained within our Federation Strategy.

We will invest in the places and people that need us most – prioritising our resources to bring about lasting change by building skills and capacity within the local communities where we can make most difference.

We will work with local leaders and listen to local voices – ensuring our work is fully informed by those it is designed to benefit and adds value to the assets that exist in local areas.

We will grow a culture of equality and inclusion – operating transparently and with integrity and seeking out a diversity of viewpoints, both in the work we do and the people we employ.

We will be committed to collaboration – forging strong partnerships, contributing to a thriving community sector and helping others lead where this will achieve greater impact.

We will act as environmental exemplars – championing practical action to combat the climate and nature emergency and measuring and reducing our own environmental impact.

All the work we will undertake in 2022/23 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.

d) 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;

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

- 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.

e) 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.
- 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.

3.6 Financial Performance

The Trust's high level of impact this year has been under-pinned by a strong financial performance. Turnover has increased to £5.3m – up by £1.5m from last year and 11% above the pre-covid levels.

Income levels (measured by gross margin) have increased to £3.1m - up by £906k from last year and 22% above the pre-covid levels. Labour costs have increased by 16% due to an increase in the staffing establishment, with contribution to overheads increasing by 36% (£944k).

Overheads have remained relatively constant at £628k.

The surplus for the year is £356k (Unrestricted £123k and Restricted £233k), seeing the unrestricted reserves exceed £1m, with free cash reserves at £940k.

3.7 Reserves

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 considered the desirable level of free reserves to be £1,500,000 with an intermediate target of £750k. However, still considerably short of the

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

target the Board agreed to set a new intermediate (2-3 years) target of £1m in 2020. We will continue to accumulate any free reserves for the foreseeable future.

3.8 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
- 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 2022 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:

- *Unforeseen global events.* The Covid crisis, Brexit and the war in Ukraine are all significant global events that have had a huge impact on the Trust. Although difficult to anticipate, such events have been frequent – and current political instability both in the UK and globally suggests the likelihood of such events has increased. Ensuring the Trust maintains sufficient reserves to whether such challenges is key to our reserves policy.
- *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 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.

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.

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

3.9 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.

g) Good governance review

The Board undertakes a self-assessment review every 3 years using the 7 principles set out in 'Good Governance Code for Larger Charities.'

3.10 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.

3.11 Related parties

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

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

3.12 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

3.13 Our People and Advisors

DIRECTORS & TRUSTEES	Tracy Fishwick (Chair) Holly Ball Paul Booth Philip Hargreaves Todd Holden Sian Jay Raj Medtia Tolu Omidayi Guy Parker Fiona Reynolds Paul Roots Chris Wilkinson	Appointed 10 December 2021 Resigned 18 March 2022 Appointed 10 December 2021 Appointed 10 December 2021 Resigned 10 December 2021 Appointed 10 December 2021
COMPANY SECRETARY	Andrew Darron	
SENIOR MANAGEMENT TEAM	Executive Director Programme Director - Employment & Skills Programme Director - Business Programme Director - Sustainable Communities	Andrew Darron Colin Greenhalgh Greville Kelly Jon Hutchinson
REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS	74-80 Hallgate Wigan Greater Manchester WN1 1HP	
EXTERNAL AUDITORS	Beever and Struthers One Express 1 George Leigh Street Manchester M4 5DL	
BANKERS	Lloyds plc 2-6 Market Street Wigan WN1 1JN	

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

3.14 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.

3.15 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

9 December 2022

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

3.16 Independent Auditor's Report to the members of Groundwork Cheshire Lancashire & Merseyside

Opinion

We have audited the financial statements of Groundwork Cheshire Lancashire & Merseyside "the charitable company" for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 2022 and of its incoming resources and application of resources profit 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.

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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.

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

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, which includes the directors' report and the strategic 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 strategic report and] the directors' report included within the trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement 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.

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. This description forms part of our auditor's report.

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the charitable company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Trustees and reviewed correspondence and Trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Trustees have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Trustees have in place to prevent and detect fraud. We enquired of the Trustees about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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 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.

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

Beever and Struthers

Sue Hutchinson (Senior Statutory Auditor)

For and on behalf of

BEEVER AND STRUTHERS

Statutory Auditor

One Express

1 George Leigh Street

Manchester

M4 5DL

Date: 21/12/2022

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

4 CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022 (including the Income & Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2022 £	TOTAL 2021 £
INCOME:					
Donations	2	14,085	-	14,085	311,063
Charitable activities	3	1,876,053	3,376,390	5,252,443	3,524,352
Other trading activities	4	25,076	-	25,076	4,852
Investment income – bank interest		103	-	103	138
TOTAL INCOME		1,915,317	3,376,390	5,291,707	3,840,405
EXPENDITURE:					
Charitable activities	5	1,792,461	3,143,451	4,935,912	3,605,480
TOTAL EXPENDITURE		1,792,461	3,143,451	4,935,912	3,605,480
NET INCOME		122,856	232,939	355,795	234,925
Net movement in funds					
Total fund brought forward	13	933,120	771,673	1,704,793	1,469,868
TOTAL FUNDS CARRIED FORWARD	13	1,055,976	1,004,612	2,060,588	1,704,793

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

The notes on pages 27 to 40 form part of these financial statements.

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

5 CHARITY BALANCE SHEET AS AT 31 MARCH 2022

	Notes	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible assets	9		117,949		118,808
Investments	10		2		2
			<u>117,951</u>		<u>118,810</u>
CURRENT ASSETS					
Debtors	11	1,371,606		1,079,111	
Cash in hand and at bank		1,766,732		1,406,140	
		<u>3,138,338</u>		<u>2,485,251</u>	
CREDITORS					
Amounts falling due in one year	12	1,195,701		899,268	
NET CURRENT ASSETS			<u>1,942,637</u>		<u>1,585,983</u>
NET ASSETS			<u>2,060,588</u>		<u>1,704,793</u>
FUNDS					
Unrestricted	13		1,055,976		933,120
Restricted	13		1,004,612		771,673
			<u>2,060,588</u>		<u>1,704,793</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 27 to 40 form part of these financial statements.

Approved by the Board of Trustees and authorised for issue on 9 December 2022



Tracy Fishwick – Chair

Company registration number: 01764848

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

6 CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Reconciliation of Net Movement in Funds to Net Cashflow from Operating Activities – Incoming		
Net income after taxation	355,795	234,925
Interest receivable	(103)	(138)
Rental income	(8,054)	(3,250)
Depreciation	15,749	19,710
(Surplus) on sale of fixed assets	(15,500)	-
(Increase) in Debtors	(292,495)	(85,974)
Increase / (Decrease) in Creditors	296,433	(50,312)
Net cash inflow from operating activities	351,825	114,961
Cash provided by / (used in) investing activities	-	-
Increase in cash in the year		
Interest	103	138
Purchase of tangible fixed assets	(14,890)	(24,806)
Rental income	8,054	3,250
Receipts from sale of fixed assets	15,500	-
Cash (used in)/ provided by investing activities	8,767	(21,418)
Increase/ (Decrease) in cash in the year	360,592	93,543
Cash and cash equivalents as at 1 April 2021	1,406,140	1,312,597
Cash and cash equivalents as at 31 March 2022	1,766,732	1,406,140

The notes on pages 27 to 40 form part of these financial statements.

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

7 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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 January 2019); 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 (i.e. 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%/ 27%

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

2. Income from donations and legacies

	2022 Unrestricted £	2022 Total £	2021 Unrestricted Total £
Corona Virus Job Retention Scheme grant	14,085	14,085	267,351
Discretionary grant	-	-	43,562
Donation	-	-	150
TOTAL	14,085	14,085	311,063

3. Income from charitable activities

Project income

	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Unrestricted £	2021 Restricted £	2021 Total £
Business	70,930	1,245,123	1,316,053	110,428	876,317	986,745
Communities	919,481	1,688,331	2,607,812	541,631	1,048,693	1,590,324
Employment & Skills	885,642	442,936	1,328,578	586,889	360,394	947,283
	1,876,053	3,376,390	5,252,443	1,238,948	2,285,404	3,524,352

4. Income from other trading activities

	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Unrestricted £	2021 Restricted £	2021 Total £
Rent	8,054	-	8,054	3,250	-	3,250
Sale of plant & equipment	15,500	-	15,500	458	-	458
Recharge of services	1,522	-	1,522	1,144	-	1,144
	25,076	-	25,076	4,852	-	4,852

5. Charitable expenditure

	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Unrestricted £	2021 Restricted £	2021 Total £
Business	5,399	1,085,457	1,090,856	23,006	773,084	796,090
Communities	769,870	1,647,477	2,417,347	482,960	1,216,051	1,699,011
Employment & Skills	1,017,192	410,517	1,427,709	826,922	283,457	1,110,379
	1,792,461	3,143,451	4,935,912	1,332,888	2,272,592	3,605,480

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

Expenditure in the charity is analysed as follows:

2022	Direct costs £	Direct salaries £	Support costs £	Total £
Business	722,613	305,576	62,667	1,090,856
Communities	1,132,292	1,006,380	278,675	2,417,347
Employment & Skills	<u>294,937</u>	<u>846,049</u>	<u>286,723</u>	1,427,709
	<u>2,149,842</u>	<u>2,158,005</u>	<u>628,065</u>	<u>4,935,912</u>

2021

<i>Business</i>	<i>485,691</i>	<i>236,127</i>	<i>74,272</i>	<i>796,090</i>
<i>Communities</i>	<i>715,492</i>	<i>660,472</i>	<i>323,047</i>	<i>1,669,011</i>
<i>Employment & Skills</i>	<u><i>126,612</i></u>	<u><i>615,737</i></u>	<u><i>368,030</i></u>	<i>1,110,379</i>
	<u><i>1,327,795</i></u>	<u><i>1,512,336</i></u>	<u><i>765,349</i></u>	<u><i>3,605,480</i></u>

6. Support costs

2022	Premises costs £	Support salaries £	Transport costs £	Governance costs £	Office costs £	Total £
Business	10,449	37,160	846	1,594	12,618	62,667
Communities	46,468	165,247	3,761	7,089	56,110	278,675
Employment & Skills	<u>47,809</u>	<u>170,018</u>	<u>3,871</u>	<u>7,293</u>	<u>57,732</u>	286,723
	<u>104,726</u>	<u>372,425</u>	<u>8,478</u>	<u>15,976</u>	<u>126,460</u>	<u>628,065</u>

2021

<i>Business</i>	<i>6,614</i>	<i>54,518</i>	<i>1,039</i>	<i>1,216</i>	<i>10,885</i>	<i>74,272</i>
<i>Communities</i>	<i>28,769</i>	<i>237,126</i>	<i>4,520</i>	<i>5,287</i>	<i>47,345</i>	<i>323,047</i>
<i>Employment & Skills</i>	<u><i>32,776</i></u>	<u><i>270,143</i></u>	<u><i>5,149</i></u>	<u><i>6,024</i></u>	<u><i>53,938</i></u>	<i>368,030</i>
	<u><i>68,159</i></u>	<u><i>561,787</i></u>	<u><i>10,708</i></u>	<u><i>12,527</i></u>	<u><i>112,168</i></u>	<u><i>765,349</i></u>

Governance costs

	2022 £	2021 £
Professional and legal fees	<u>15,976</u>	<u>12,527</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	2022 £	2021 £
Salaries and wages	2,250,006	1,837,857
Pension costs	81,655	63,986
Employer's NI contributions	184,650	151,974
Termination costs	3,401	11,583
	<u>2,519,712</u>	<u>2,065,400</u>

The emoluments of one member of staff, including benefits in kind, are within the range of £80,000 to £89,999 (2021 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 17.

The Trustees do not receive any remuneration for their services.

Total remuneration, including benefits, paid to key management personnel as defined on page 17, amounted to £266,541 (2021 – £243,391).

Average staff numbers

	2022 £	2021 £
Direct charitable	80	67
Administration and support	9	8
Marketing and publicity	1	1
	<u>90</u>	<u>76</u>
Average headcount	<u>105</u>	<u>86</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

This is stated after credited / (charging):	2022 £	2021 £
Auditors' remuneration	9,125	9,963
Operating lease rentals	85,627	70,537
Depreciation of fixed assets	15,748	19,710
Trustees expenses relating to travel and accommodation	-	-
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 2021	95,001	84,742	296,223	114,888	590,854
Additions	-	7,120	7,770	-	14,890
Disposals	-	-	-	(37,990)	(37,990)
As at 31 March 2022	<u>95,001</u>	<u>91,862</u>	<u>303,993</u>	<u>76,898</u>	<u>567,754</u>
Depreciation					
As at 1 April 2021	11,398	75,158	270,602	114,888	472,046
Charge for the year	1,900	1,741	12,108	-	15,749
On disposals	-	-	-	(37,990)	(37,990)
As at 31 March 2022	<u>13,298</u>	<u>76,899</u>	<u>282,710</u>	<u>76,898</u>	<u>449,805</u>
Net Book Value					
As at 31 March 2022	<u>81,703</u>	<u>14,963</u>	<u>21,283</u>	<u>-</u>	<u>117,949</u>
As at 31 March 2021	<u>83,603</u>	<u>9,584</u>	<u>25,621</u>	<u>-</u>	<u>118,808</u>

10. Fixed Assets Investments

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

	2022 £	2022 No	2021 £	2021 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

	2022 £	2021 £
Trade debtors	785,495	463,574
Amounts recoverable on contracts	543,750	575,744
Owed from group company	8,318	8,305
Prepayments	<u>34,043</u>	<u>31,488</u>
	<u>1,371,606</u>	<u>1,079,111</u>

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

12. Creditors falling due within one year

	2022	2021
	£	£
Trade creditors	555,182	415,944
Other taxes and social security	112,831	76,149
Accruals	185,637	154,391
Other creditors	14,994	14,994
Deferred income	327,057	237,790
	1,195,701	899,268
Analysis of deferred income:		
Balance brought forward	237,790	215,740
Released in year	(144,089)	(128,372)
Deferred in year	233,356	150,422
	327,057	237,790

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

13. Statement of funds

	01/04/2020 £	Income £	Expenditure £	Transfer £	31/03/2021 & 01/04/2021 £	Income £	Expenditure £	Transfers £	Total 31/03/2022 £
Unrestricted funds									
(all charitable):									
General funds	711,007	1,555,001	(1,332,888)	-	933,120	1,915,317	(1,792,461)	-	1,055,976
Designated funds	-	-	-	-	-	-	-	-	-
	<u>711,007</u>	<u>1,555,001</u>	<u>(1,332,888)</u>	<u>-</u>	<u>933,120</u>	<u>1,915,317</u>	<u>(1,792,461)</u>	<u>-</u>	<u>1,055,976</u>
Restricted funds:									
Project funds (detail below)	758,861	2,285,404	(2,272,592)	-	771,673	3,376,390	(3,143,451)	-	1,004,612
	<u>758,861</u>	<u>2,285,404</u>	<u>(2,272,592)</u>	<u>-</u>	<u>771,673</u>	<u>3,376,390</u>	<u>(3,143,451)</u>	<u>-</u>	<u>1,004,612</u>
Total funds	<u>1,469,868</u>	<u>3,840,405</u>	<u>(3,605,479)</u>	<u>-</u>	<u>1,704,793</u>	<u>5,291,707</u>	<u>(4,935,912)</u>	<u>-</u>	<u>2,060,588</u>
Restricted funds:									
Amberswood Volunteer Welfare Cabin	-	-	-	-	-	10,000	-	-	10,000
Selnet BBO - Age of Opportunity	1,594	17,882	(17,188)	-	2,288	20,233	(22,521)	-	-
Selnet BBO - Changing futures	-	82,133	(82,133)	-	-	35,936	(35,936)	-	-
Selnet BBO - Invest in Youth	-	117,887	(117,887)	-	-	131,922	(131,922)	-	-
Selnet BBO - Invest in Youth 2	-	-	-	-	-	2,872	(2,872)	-	-
GGHT BBO - New Leaf	-	40,132	(40,132)	-	-	63,657	(63,657)	-	-
New Leaf Mentoring	-	3,287	(3,287)	-	-	-	-	-	-
Big Local Rudheath & Witton	65,188	91,188	(106,174)	-	50,202	72,799	(99,867)	-	23,134
Big Local - Windmill Hill	50,541	63,077	(96,124)	-	17,494	175,728	(129,596)	-	63,626

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

	01/04/2020 £	Income £	Expenditure £	Transfer £	31/03/2021 & 01/04/2021 £	Income £	Expenditure £	Transfers £	Total 31/03/2022 £
Big Local - Latchford	83,884	89,857	(117,921)	-	55,820	132,334	(87,643)	-	100,511
Big Local – L30 Million	-	-	-	-	-	100,252	(42,801)	-	57,451
Burnley BID	-	166,062	(89,284)	-	76,778	238,699	(194,608)	-	120,869
Gadbrook Park BID	-	200,544	(200,544)	-	-	209,101	(209,101)	-	-
Northwich Town Centre BID	-	147,654	(147,654)	-	-	277,056	(277,056)	-	-
Warrington TEC BID	-	158,543	(158,543)	-	-	308,266	(201,704)	-	106,562
Winsford BID	50,859	106,196	(89,045)	-	68,010	110,500	(106,313)	-	72,197
West Chester BID	68,401	97,318	(88,013)	-	77,706	101,500	(96,675)	-	82,531
Grow Speke Community Zone	5,525	66,162	(44,695)	-	26,992	2,866	(10,567)	-	19,291
HLF - Rivington	-	143,722	(143,722)	-	-	43,168	(43,168)	-	-
River Douglas Fisheries Project	429,537	2,601	(217,399)	-	214,739	7,864	(175,829)	-	46,774
Rivington Festival of Light	-	500	(500)	-	-	11,407	(11,407)	-	-
Saltscape Legacy Heritage	1,000	-	(300)	-	700	-	-	-	700
Lever Park Cast	-	-	-	-	-	8,996	(8,996)	-	-
Blackpool Community Farm	2,332	86,816	(89,148)	-	-	15,280	(2,064)	-	13,216
Rivington Music Festival	-	-	-	-	-	968	(968)	-	-
Nature Friendly Schools	-	28,113	(28,113)	-	-	4,000	(4,000)	-	-
Love My River Pass On Plastic	-	7,500	(7,500)	-	-	1,180	(1,180)	-	-

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

	01/04/2020 £	Income £	Expenditure £	Transfer £	31/03/2021 & 01/04/2021 £	Income £	Expenditure £	Transfers £	Total 31/03/2022 £
Roots to Wellbeing Knowsley	-	18,000	(18,000)	-	-	18,000	(18,000)	-	-
Love My River – Chorley WEG	-	1,500	(1,500)	-	-	16,250	(16,250)	-	-
@ The Grange	-	292,191	(187,490)	-	104,701	226,325	(206,434)	-	124,592
Grange Park ERDF	-	-	-	-	-	49,269	(49,269)	-	-
Green Doctor - Wigan	-	33,667	(33,667)	-	-	88,206	(88,206)	-	-
Green Doctor – Emergency Fuel Vouchers	-	50,648	(50,648)	-	-	15,780	(15,780)	-	-
Green Recovery Challenge Fund	-	91,152	(91,152)	-	-	525,973	(525,973)	-	-
GRCF 2 – River Douglas Challenge	-	-	-	-	-	124,800	(90,911)	-	33,889
Love My River Douglas Catchment Citizen Science	-	-	-	-	-	36,570	(36,570)	-	-
National Year of Service	-	-	-	-	-	19,723	(19,723)	-	-
Gambling Awareness	-	-	-	-	-	28,177	(9,588)	-	18,589
Community Health Building	-	-	-	-	-	50,000	(12,971)	-	37,029
Blackpool Youth Hub	-	-	-	-	-	9,801	(9,801)	-	-
Unique FY Media	-	37,572	(3,935)	-	33,637	37,572	(45,055)	-	26,154
Green Influencers	-	18,500	(894)	-	17,606	18,360	(17,648)	-	18,318
Urgent Discharge	-	25,000	-	-	25,000	25,000	(20,821)	-	29,179
	<u>758,861</u>	<u>2,285,404</u>	<u>(2,272,592)</u>	<u>-</u>	<u>771,673</u>	<u>3,376,390</u>	<u>(3,143,451)</u>	<u>-</u>	<u>1,004,612</u>

Amberswood Volunteer Welfare Cabin – Funding from the National Lottery to purchase a welfare cabin, which will be installed on site at Amberswood.

Big Local Windmill Hill / Rudheath & Witton/ Latchford/ L30 Million – 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.

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

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 and Festival of Light – Fundraising events in partnership with Rivington Heritage Trust.

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

Lever Park Cast – Funding from United Utilities to support the restoration and management Rivington Terraced Gardens.

Blackpool Community Farm – Environment Group funding to support the continued work with local people on environmental volunteering projects across Grange Park.

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

Love My River Pass on Plastic – To engage communities and raise awareness regarding plastic pollution in rivers.

Roots to Wellbeing Knowsley – Funded by LIVV Housing to improve health and wellbeing and employability skills for the unemployed and economically inactive.

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

@ The Grange – Funding from Blackpool Council for the provision of management responsibility for the community hub with the aim of contributing to the social, physical, economic, educational and environmental wellbeing of the community.

Grange Park ERDF – Funded by ERDF via Blackpool Council to adopt a whole place based approach to increasing community resilience to climate change and carbon reduction.

Green Doctor – Funding to assist vulnerable people and those with low incomes make home energy efficiency savings, reduce energy bills, make homes warmer and safer and distribute emergency fuel vouchers.

Green Recovery Challenge Fund – Government funding focused on the Natural Neighbourhoods programme to make improvements in disadvantaged communities.

Green Recovery Challenge Fund 2 – River Douglas Challenge – Funded by National Lottery Heritage Fund on behalf of DEFRA to deliver a partnership programme on the River Douglas Catchment.

Love My River Douglas Catchment Citizen Science – Funded by the Environment Agency to deliver WEIF community citizen science projects on the River Douglas.

National Year of Service – Funding to recruit 4 young people to improve skills and experience working on community projects.

Gambling Awareness – Funding from Greater Manchester Combined Authority to engage with vulnerable young people to raise awareness and reduce gambling in Wigan.

Community Health Building – Funded via Wigan Borough LDP to understand and develop capacity in the VCSE sector to create new and existing asset-based opportunities which provide early intervention.

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

Blackpool Youth Hub – Funded by Blackpool Council to deliver an employer led programme designed on enhancing young people's knowledge and perceptions on working life and career opportunities.

Unique FY Media – Funded by BBC Children In Need and the Youth Futures Foundation to deliver a creative media programme for 16-18 years old in the Blackpool area.

Green Influencers - Funded by The Ernest Cook Trust and the #iwill Fund to introduce climate change and sustainability to young people aged 10-14 within the St Helens area.

Urgent Discharge – The funding from Northwest Boroughs Healthcare NHS Foundation Trust will aim to support adults to live independently in the Borough of Wigan.

GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

14. Analysis of net assets between funds

Fund balances at 31 March 2022 are represented by:

	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	116,324	1,625	117,949
Net current assets	939,652	1,002,987	1,942,639
	<u>1,055,976</u>	<u>1,004,612</u>	<u>2,060,588</u>

Fund balances at 31 March 2021 are represented by:

Tangible fixed assets	115,233	3,575	118,808
Net current assets	817,887	768,098	1,585,985
	<u>933,120</u>	<u>771,673</u>	<u>1,704,793</u>

Free reserves:

	2022	2021
Net current assets	<u>£939,652</u>	<u>£817,887</u>

15. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash and cash equivalents			
Cash	1,406,140	360,592	1,766,732
	<u>1,406,140</u>	<u>360,592</u>	<u>1,766,732</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

There are no capital commitments at the 31st March 2022.

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

	2022 £	2021 £
Payable within		
One Year	75,453	91,594
Between 2 and 5 year	215,719	31,434
After more than 5 years	-	-
	<u>291,172</u>	<u>123,028</u>