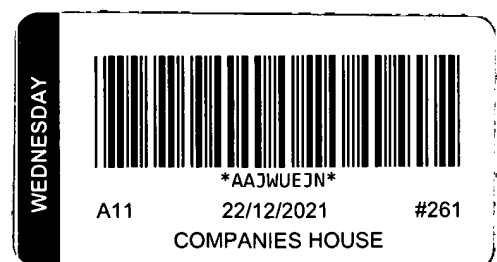


# **GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE**

## **Annual Report and Financial Statements 2020/21**

**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.

## 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](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/)

# GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

## 2 CHAIR'S STATEMENT

As always it gives me great pleasure to present the annual report and financial statements for Groundwork Cheshire, Lancashire & Merseyside – but this year carries even more significance. The Board, our Senior Management Team and our staff team has worked hard; to defend the Trust from the financial and social consequences of Covid 19; to remain relevant in the communities where we work despite the restrictions we have all faced, and, to continue to build more sustainable communities despite the challenges of Covid.

The early phases of the pandemic were scary for us all as the enormity of the unprecedented global challenge became apparent. The widespread closures driven by the first lockdown created great uncertainty. As such it was important that the Trust – led by our Senior Management Team - developed a clear contingency plan that focused on minimising the risks from Covid to our business - the health of our staff and participants, the short term financial viability of the Trust, and to the jobs of our employees. But then to understand how we could support our communities and mobilise our response.

Our team all moved to home working, they developed our existing projects and programmes so that they could be delivered remotely, and they began to re-purpose our activities so that we could support local covid relief efforts across the region. In Blackpool, we ran one of the *Coronavirus Kindness Hubs* distributing food parcels and hot meals from our café to those residents who were shielding across the Grange Park Estate. In Liverpool, our Grow Speke project worked with volunteers and a commercial grower to produce tonnes of fresh fruit and vegetables, which we donated to the local food bank. In Runcorn, the Big Local programme made masks and other PPE for NHS workers. Our *Green Doctor* fuel poverty projects gave telephone advice to thousands of people and we distributed fuel vouchers to those most in need. And our Business Improvement District projects helped hundreds of business access essential advice and grant support across the North West.

I am particularly grateful for the flexibility and positivity our staff have shown throughout the pandemic – showing a determination to continue to deliver the Trust's Mission in the most difficult of circumstances - despite the obvious uncertainty hanging over all of them. We value our staff enormously during the best of times – but the courage and determination they have shown during the pandemic has been truly inspirational.

As such, I'm pleased to say that due to the timely introduction of the *Coronavirus Job Retention Scheme*, the support of our Local Authority partners who provided local Coronavirus business relief grants, the very generous support of many of our partners and suppliers, and the development of new activities, the Trust has navigated the year without any direct covid related job losses.

We ended the year with more clarity on the future – and the confidence that our mission remains as important as ever. 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**

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

### 3 TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

#### 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 sections 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 2020

#### a) Performance Overview

Despite the challenging context caused by the Covid crisis, 2020/21 was a year of positive performance by the Groundwork CLM team. We recorded excellent impact performance measures, exceeded our financial objectives and maintained excellent relationships with our partners and stakeholders. A number of our programmes were heavily influenced by Covid restrictions, adversely affecting financial and operational performance. However, others increased in scope and scale as Groundwork CLM became recognised as a reliable route through which to deliver emergency funds and support to local communities.

The Trust's finances have stood up well to the challenges presented by Covid, with an emergency budget steering a course through the spring and summer at a time when the extent of both the crisis and the Government support package were unclear.

The timely intervention of the Coronavirus Job Retention Scheme, Local Authority support grants, and the support of existing partners, funders and suppliers meant that the Trust has been able to retain the majority of its staff – with no redundancies due to Covid-19.

During the year we adapted well, responded to need, re-purposed much of our activity – and continued to make an impact within those communities where we work.

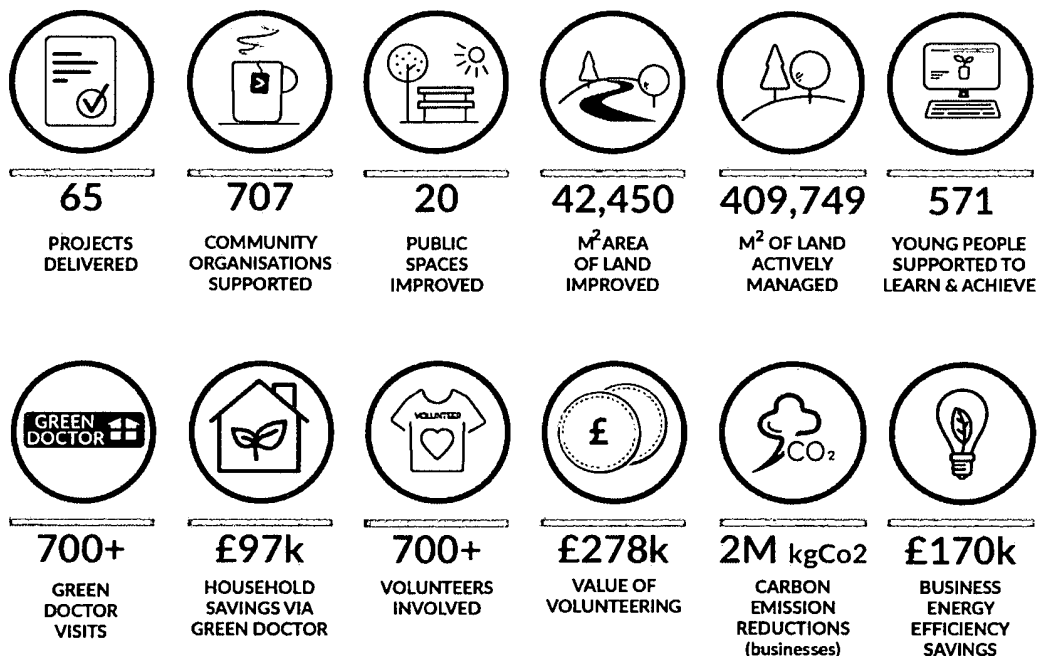
Across all operational areas, staff adapted and delivered programmes virtually, with lots of learning and new development opportunities.

- For example, our New Leaf Training programme was the only training organisation within the New Leaf partnership that continued to deliver during the pandemic. We have seen some fantastic personal journeys and inspiring examples of behaviour change.
- National Citizen Service had a year of re-purposing, constant funding uncertainty and unclear national leadership, yet our programme maintained high levels of staff morale, still managed to deliver a summer programme and went on to exceed autumn programme targets by 10%.
- We led the development of the Groundwork Federation Kickstart Internship Programme and qualified as a gateway organisation with an initial 41 placements lined up.
- We saw a significant increase in our Green Doctor affordable warmth programme, launching new projects in Blackpool and Wigan to add to our Cheshire programme, and have supported over 700 households and distributed over 1000 emergency fuel vouchers.
- @The Grange played a pivotal role in supporting the community of Grange Park throughout the crisis, including the launch of a Community Café that has provided hot food to vulnerable people throughout. Over 2000 volunteer hours saw the delivery of almost 3000 food parcels, 755 Easter Eggs, 100 afternoon teas to celebrate VE day, made 100 ppe masks, made 3000 welfare calls, received an average of 250 viewers per week to the Grow@the Grange gardening livecast, delivered 2,000 Meals on Wheels, provided 818 school holiday hunger meals, and delivered 22 Christmas Dinners on Christmas Day!
- Now in its 8th year, we continued to host the CaBA consortia throughout the pandemic, facilitating an established safe democratic space for a diverse range of stakeholders sometimes with differing viewpoints to meet regularly, share best practice, discuss challenges, ratify key priorities and deliver many hundreds of targeted on the ground interventions to improve river water quality
- We helped 6 business communities to improve their town centres and business environments. The town centre BIDs have been particularly hard hit due to the dominance of retail, leisure and hospitality, with Northwich receiving a significant additional blow later in the year due to the floods. The team have made huge efforts to support these sectors, promoting the availability of business support and recovery grants, highlighting important Covid safety measures companies need to take and most importantly being a support / crutch for business owners to lean on during the crisis.
- We secured a 4th term BID on Winsford Ind Estate. This project is now delivering £2million more of additional business rates revenue for Cheshire West and Chester Council as result of new inward investment that has taken place during the lifetime of the BID. This has now provided 43% additional work space units over 15 years.
- We supported over 1250 businesses to improve their trading environments and we supported 49 companies to develop opportunities for reducing their carbon emissions through improvements in energy efficiency, with 2,000,000 kg Co2 and £170,000 of potential cost savings.

#### 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 IMPACT THIS YEAR



### c) What do our participants say?

*"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. 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 learns new skills. He clearly takes great pleasure from the environment and 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."*

*"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.*

*"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*

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

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



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

### **3.4 Our plans for the future**

#### **a) Covid-19**

Groundwork CLM is likely to be delivering its mission in 2021/22 against the same backdrop that dominated 2020/21: the ongoing social and economic emergency created by the Covid-19 pandemic. This will continue to affect what we do, the way we work, and the funds we have available to sustain our operations.

While the course of the pandemic is far from clear, we can anticipate a number of impacts on our business.

- Public sector bodies will remain in 'emergency mode' for some time to come, either prioritising their immediate response to the crisis or managing its financial consequences.
- Levels of partner confidence will remain variable – and may be impacted further by the consequences of our exit from the EU.
- Our staff team will continue to face disruption and we will make a permanent switch to more flexible working, increasing further our reliance on remote systems and bringing with it the need to change the way we manage and communicate.

#### **b) The policy and funding environment**

The UK Government has committed to a number of longer-term priorities which will present important opportunities to position Groundwork as an organisation able to support communities through the ongoing crisis and to help local areas plan for a future recovery. In particular, the commitment to 'levelling up' the UK in terms of economic prospects and the promise of a 'green recovery', which tackles the climate and nature emergency at the same time as the health and economic crisis, provide a platform for promoting the value of Groundwork's approach to local sustainable development.

We recognise that the course of the pandemic, and the speed of the subsequent recovery, is hard to predict. This requires organisations to remain agile with the ability to respond to a dynamic set of circumstances.

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

### 3.5 Our 2021/22 Work Programme

Our work programme this year is underscored by the guiding principles contained within our recently refreshed 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 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.

#### 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;
- 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.

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

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.

### 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'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.

### 3.6 Financial Performance

The effect of Covid-19 on our financial performance during 2020-21 was significant. Our income level was down by circa £1.5m (28%) on the previous pre-covid year, with our Employment Programme's *Payment on Results* projects the hardest hit. As a result, we reduced our 3<sup>rd</sup> party costs by circa £1m (45%) and our labour costs by £250k (17%) which was offset by a similar amount of compensation income from the *Coronavirus Job Retention Scheme* (Furlough). The number of furloughed staff peaked at 46% (38 FTE) in April 2020 and stood at an average of 27% (22 FTE) throughout the year.

We were also able to reduce our net overheads by £160k (26%) thanks in large part to £40k of local Covid business support grants and the generosity and support of our key suppliers – many of whom waived or reduced their charge for the services they provide in order to help the Trust during the uncertainty that pertained throughout the year.

Within the £3.5m of projects that we were able to advance during the year, we again saw the continued trends of recent years, showing improved profitability and increasing levels of impact.

### 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. As of 31st March 2020 we have moved closer to this level with a total free reserves of just over £800k, exceeding the previous intermediate target. However, this still falls considerably short of the target and as such the Board has agreed to set a new intermediate (2-3 years) target of £1m. We will continue to accumulate any free reserves for the foreseeable future.

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

### 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 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.

## **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.

### **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;

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

- 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) Paul Roots Todd Holden Guy Parker Philip Hargreaves Chris Wilkinson Holly Ball Sian Jay	
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 (Up to 20 August 2020)
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	

## **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

10 December 2021



## **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 2021 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 2021 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](http://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

St George's House

215/219 Chester Road

Manchester

M15 4JE

Date:

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

### 4 CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021 (including the Income & Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
INCOME:					
Donations	2	311,063	-	311,063	-
Charitable activities	3	1,238,948	2,285,404	3,524,352	4,696,210
Other trading activities	4	4,852	-	4,852	15,547
Investment income – bank interest		138	-	138	701
<b>TOTAL INCOME</b>		<b>1,555,001</b>	<b>2,285,404</b>	<b>3,840,405</b>	<b>4,712,458</b>
EXPENDITURE:					
Charitable activities	5	1,332,888	2,272,592	3,605,480	4,701,015
<b>TOTAL EXPENDITURE</b>		<b>1,332,888</b>	<b>2,272,592</b>	<b>3,605,480</b>	<b>4,701,015</b>
<b>NET INCOME/ (EXPENDITURE)</b>		<b>222,113</b>	<b>12,812</b>	<b>234,925</b>	<b>11,443</b>
Net movement in funds					
Total fund brought forward	13	711,007	758,861	1,469,868	1,458,425
<b>TOTAL FUNDS CARRIED FORWARD</b>	13	<b>933,120</b>	<b>771,673</b>	<b>1,704,793</b>	<b>1,469,868</b>

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

The notes on pages 21 to 35 form part of these financial statements.

# GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

## 5 CHARITY BALANCE SHEET AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
<b>FIXED ASSETS</b>					
Tangible assets	9		118,808		113,712
Investments	10		2		2
			<u>118,810</u>		<u>113,714</u>
<b>CURRENT ASSETS</b>					
Debtors	11	1,079,111		993,137	
Cash in hand and at bank		1,406,140		1,312,597	
		<u>2,485,251</u>		<u>2,305,734</u>	
<b>CREDITORS</b>					
Amounts falling due in one year	12	899,268		949,580	
<b>NET CURRENT ASSETS</b>			<u>1,585,983</u>		<u>1,356,154</u>
<b>NET ASSETS</b>			<u>1,704,793</u>		<u>1,469,425</u>
<b>FUNDS</b>					
Unrestricted	13		933,120		711,007
Restricted	13		771,673		758,861
			<u>1,704,793</u>		<u>1,469,868</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 21 to 35 form part of these financial statements.

**Approved by the Board of Trustees and authorised for issue on 10 December 2021**



Tracy Fishwick – Chair

Company registration number: 01764848

# GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

## 6 CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
<b>Reconciliation of Net Movement in Funds, to Net Cashflow from Operating Activities – (Outgoing)/ Incoming</b>		
Net income / (expenditure) after taxation	234,925	11,442
Interest receivable	(138)	(701)
Rental income	(3,250)	(12,805)
Depreciation	19,710	16,492
Surplus/ loss on sale of fixed assets	-	-
(Increase) / Decrease in Debtors	(85,974)	596,702
Increase / (Decrease) in Creditors	<u>(50,312)</u>	<u>(233,936)</u>
<b>Net cash inflow / (outflow) from operating activities</b>	<u>114,961</u>	<u>377,194</u>
<b>Cashflows from / used in financing activities</b>	-	-
<b>Cashflows from investing activities</b>		
Interest	138	701
Purchase of tangible fixed assets	(24,806)	(15,118)
Rental income	3,250	12,805
Receipts from sale of fixed assets	-	-
<b>Cash (used in)/ provided by investing activities</b>	<u>(21,418)</u>	<u>(1,612)</u>
<b>Increase/ (Decrease) in cash in the year</b>	93,543	375,582
<b>Cash and cash equivalents as at 1 April 2020</b>	<u>1,312,597</u>	<u>937,015</u>
<b>Cash and cash equivalents as at 31 March 2021</b>	<u>1,406,140</u>	<u>1,312,597</u>

The notes on pages 21 to 35 form part of these financial statements.

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

### **7 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **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 (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%

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

### 2. Income from donations and legacies

	2021 Unrestricted £	2021 Total £	2020 Unrestricted Total £
Corona Virus Job Retention Scheme grant	267,351	267,351	-
Discretionary grant	43,562	43,562	-
Donation	150	150	-
<b>TOTAL</b>	<b>311,063</b>	<b>311,063</b>	<b>-</b>

### 3. Income from charitable activities

#### Project income

	2021			2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Business	110,428	876,317	986,745	108,404	909,042	1,017,446
Communities	541,631	1,048,693	1,590,324	516,099	1,742,561	2,258,660
Employment & Skills	586,889	360,394	947,283	968,053	452,051	1,420,104
	<u>1,238,948</u>	<u>2,285,404</u>	<u>3,524,352</u>	<u>1,592,556</u>	<u>3,103,654</u>	<u>4,696,210</u>

### 4. Income from other trading activities

	2021			2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Rent	3,250	-	3,250	12,804	-	12,804
Sale of plant & equipment	458	-	458	-	-	-
Training refreshments	-	-	-	2,743	-	2,743
Recharge of services	1,144	-	1,144	-	-	-
	<u>4,852</u>	<u>-</u>	<u>4,852</u>	<u>15,547</u>	<u>-</u>	<u>15,547</u>

### 5. Charitable expenditure

	2021			2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Business	23,007	773,084	796,091	9,752	930,262	940,014
Communities	482,959	1,216,051	1,699,010	437,482	1,711,858	2,149,340
Employment & Skills	826,922	283,457	1,110,379	1,161,204	450,457	1,611,661
	<u>1,332,888</u>	<u>2,272,592</u>	<u>3,605,480</u>	<u>1,608,438</u>	<u>3,092,577</u>	<u>4,701,015</u>

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

Expenditure in the charity is analysed as follows:

<b>2021</b>	<b>Direct costs £</b>	<b>Direct salaries £</b>	<b>Support costs £</b>	<b>Total £</b>
Business	485,691	236,127	74,272	<b>796,090</b>
Communities	715,492	660,472	323,047	<b>1,699,011</b>
Employment & Skills	<u>126,612</u>	<u>615,737</u>	<u>368,030</u>	<b><u>1,110,379</u></b>
	<b><u>1,327,795</u></b>	<b><u>1,512,336</u></b>	<b><u>765,349</u></b>	<b><u>3,605,480</u></b>
<b>2020</b>				
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>	<b><u>1,611,661</u></b>
	<b><u>2,274,193</u></b>	<b><u>1,816,024</u></b>	<b><u>610,798</u></b>	<b><u>4,701,015</u></b>

As a note, the operating salary costs in 20-21 have decreased by £269,344 due to employees being furloughed.

### 6. Support costs

<b>2021</b>	<b>Premises costs £</b>	<b>Support salaries £</b>	<b>Transport costs £</b>	<b>Governance costs £</b>	<b>Office costs £</b>	<b>Total £</b>
Business	6,614	54,518	1,039	1,216	10,885	<b>74,272</b>
Communities	28,769	237,126	4,520	5,287	47,345	<b>323,047</b>
Employment & Skills	<u>32,776</u>	<u>270,143</u>	<u>5,149</u>	<u>6,024</u>	<u>53,938</u>	<b><u>368,030</u></b>
	<b><u>68,159</u></b>	<b><u>561,787</u></b>	<b><u>10,708</u></b>	<b><u>12,527</u></b>	<b><u>112,168</u></b>	<b><u>765,349</u></b>
<b>2020</b>						
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>	<b><u>345,241</u></b>
	<b><u>129,616</u></b>	<b><u>345,854</u></b>	<b><u>17,743</u></b>	<b><u>16,367</u></b>	<b><u>101,217</u></b>	<b><u>610,798</u></b>

As a note, the support salary costs in 20-21 have increased by £269,344 due to the allocation of furloughed employee salary costs.

### Governance costs

	<b>2021 £</b>	<b>2020 £</b>
Professional and legal fees	<b><u>12,527</u></b>	<b><u>16,367</u></b>

### 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	2021 £	2020 £
Salaries and wages	1,837,857	1,913,106
Pension costs	63,986	67,037
Employer's NI contributions	151,974	158,487
Termination costs	11,583	13,591
	<u>2,065,400</u>	<u>2,152,221</u>

The emoluments of one member of staff, including benefits in kind, are within the range of £60,000 to £69,999 (2020 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 16.

The Trustees do not receive any remuneration for their services.

Total remuneration, including benefits, paid to key management personnel as defined on page 16, amounted to £243,391 (2020 – £273,425).

### Average staff numbers

	2021 £	2020 £
Direct charitable	67	69
Administration and support	8	8
Marketing and publicity	1	1
	<u>76</u>	<u>78</u>
Average headcount	<u>86</u>	<u>90</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):	2021 £	2020 £
Auditors' remuneration	9,963	7,992
Operating lease rentals	70,537	119,970
Depreciation of fixed assets	19,710	16,491
Trustees expenses relating to travel and accommodation	-	66
Trustees having expenses reimbursed or paid on their behalf	-	1

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

### 9. Tangible fixed assets

	Buildings £	Building Alterations £	Fixtures & equipment £	Motor vehicles £	Total £
Cost					
As at 1 April 2020	95,001	75,656	281,303	114,888	566,848
Additions	-	9,086	15,720	-	24,806
Disposals	-	-	(800)	-	(800)
As at 31 March 2021	<u>95,001</u>	<u>84,742</u>	<u>296,223</u>	<u>114,888</u>	<u>590,854</u>
Depreciation					
As at 1 April 2020	9,498	70,852	260,271	112,515	453,136
Charge for the year	1,900	4,306	10,953	2,373	19,532
On disposals	-	-	(622)	-	(622)
As at 31 March 2021	<u>11,398</u>	<u>75,158</u>	<u>270,602</u>	<u>114,888</u>	<u>472,046</u>
Net Book Value					
As at 31 March 2021	<u>83,603</u>	<u>9,584</u>	<u>25,621</u>	<u>-</u>	<u>118,808</u>
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>

### 10. Fixed Assets Investments

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

	2021 £	2021 No	2020 £	2020 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

	2021 £	2020 £
Trade debtors	463,574	437,503
Other debtors	-	-
Amounts recoverable on contracts	575,744	525,305
Owed from group company	8,305	8,305
Prepayments	<u>31,488</u>	<u>22,024</u>
	<u>1,079,111</u>	<u>993,137</u>

### 12. Creditors falling due within one year

	2021 £	2020 £
Trade creditors	415,944	492,545
Other taxes and social security	76,149	90,729
Accruals	154,391	135,932
Other creditors	14,994	14,634
Deferred income	<u>237,790</u>	<u>215,740</u>
	<u>899,268</u>	<u>949,580</u>
Analysis of deferred income:		
Balance brought forward	215,740	35,962
Released in year	(128,372)	(22,976)
Deferred in year	<u>150,422</u>	<u>202,754</u>
	<u>237,790</u>	<u>215,740</u>

## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

### 13. Statement of funds

	01/04/2019 £	Income £	Expenditure £	Transfer £	31/03/2020 & 01/04/2020 £	Income £	Expenditure £	Transfers £	Total 31/03/2021 £
<b>Unrestricted funds (all charitable):</b>									
General funds	710,641	1,608,804	(1,608,438)	-	711,007	1,555,001	(1,332,888)	-	933,120
Designated funds	-	-	-	-	-	-	-	-	-
	<u>710,641</u>	<u>1,608,804</u>	<u>(1,608,438)</u>	<u>-</u>	<u>711,007</u>	<u>1,555,001</u>	<u>(1,332,888)</u>	<u>-</u>	<u>933,120</u>
<b>Restricted funds:</b>									
Project funds (detail below)	747,784	3,103,654	(3,092,577)	-	758,861	2,285,404	(2,272,592)	-	771,673
	<u>747,784</u>	<u>3,103,654</u>	<u>(3,092,577)</u>	<u>-</u>	<u>758,861</u>	<u>2,285,404</u>	<u>(2,272,592)</u>	<u>-</u>	<u>771,673</u>
<b>Total funds</b>	<u>1,458,425</u>	<u>4,712,458</u>	<u>(4,701,015)</u>	<u>-</u>	<u>1,469,868</u>	<u>3,840,405</u>	<u>(3,605,479)</u>	<u>-</u>	<u>1,704,793</u>
<b>Restricted funds:</b>									
A4A – PT Farringdon	-	(25)	25	-	-	-	-	-	-
Selnet BBO - Age of Opportunity	-	10,398	(8,804)	-	1,594	17,882	(17,188)	-	2,288
Selnet BBO – Changing futures	-	84,138	(84,138)	-	-	82,133	(82,133)	-	-
Selnet BBO – Invest in Youth	-	120,970	(120,970)	-	-	117,887	(117,887)	-	-
GGHT BBO – New Leaf	-	33,423	(33,423)	-	-	40,132	(40,132)	-	-
Big Local Rudheath & Witton	50,065	190,050	(174,927)	-	65,188	91,188	(106,174)	-	50,202
Big Local - Windmill Hill	7,655	153,251	(110,365)	-	50,541	63,077	(96,124)	-	17,494

# GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

	01/04/2019 £	Income £	Expenditure £	Transfer £	31/03/2020 & 01/04/2020 £	Income £	Expenditure £	Transfers £	Total 31/03/2021 £
Big Local - Latchford	-	99,539	(15,655)	-	83,884	89,857	(117,921)	-	55,820
New Leaf Outreach	-	46,658	(46,658)	-	-	-	-	-	-
New Leaf Mentoring	-	123,914	(123,914)	-	-	3,287	(3,287)	-	-
Grow Speke Community Zone	7,475	55,207	(57,157)	-	5,525	66,162	(44,695)	-	26,992
Winsford BID	46,702	111,189	(107,032)	-	50,859	106,196	(89,045)	-	68,009
Northwich Town Centre BID	-	199,679	(199,679)	-	-	147,654	(147,654)	-	-
Gadbrook Park BID	-	220,677	(220,677)	-	-	200,544	(200,544)	-	-
Warrington TEC BID	59,987	273,927	(333,914)	-	-	158,543	(158,543)	-	-
West Chester BID	33,792	103,569	(68,960)	-	68,401	97,318	(88,013)	-	77,706
Burnley BID	-	-	-	-	-	166,062	(89,284)	-	76,778
HLF - Winckley Sq.	-	27,579	(27,579)	-	-	-	-	-	-
HLF - Rivington	-	1,075,296	(1,075,296)	-	-	143,722	(143,722)	-	-
R Douglas Fisheries project	484,852	-	(55,315)	-	429,537	2,601	(217,399)	-	214,739
Rivington Festival of Light	-	7,157	(7,157)	-	-	500	(500)	-	-
Saltscape Legacy Heritage	57,256	-	(56,256)	-	1,000	-	(300)	-	700
Amberswood Allotment	-	1,499	(1,499)	-	-	-	-	-	-
Blackpool Community Farm	-	106,039	(103,707)	-	2,332	86,816	(89,148)	-	-
Rivington Viking March	-	981	(981)	-	-	-	-	-	-
Rivington Music Festival	-	14,479	(14,479)	-	-	-	-	-	-
Nature Friendly Schools	-	8,010	(8,010)	-	-	28,113	(28,113)	-	-
Love My River Pass On Plastic	-	2,500	(2,500)	-	-	7,500	(7,500)	-	-



## GROUNDWORK CHESHIRE, LANCASHIRE & MERSEYSIDE

	01/04/2019 £	Income £	Expenditure £	Transfer £	31/03/2020 & 01/04/2020 £	Income £	Expenditure £	Transfers £	Total 31/03/2021 £
Roots to Wellbeing	-	32,550	(32,550)	-	-	18,000	(18,000)	-	-
Knowsley Love My River – Chorley WEG	-	1,000	(1,000)	-	-	1,500	(1,500)	-	-
@ The Grange	-	-	-	-	-	292,191	(187,490)	-	104,701
Green Doctor - Wigan	-	-	-	-	-	33,667	(33,667)	-	-
Green Doctor – Emergency Fuel Vouchers	-	-	-	-	-	50,648	(50,648)	-	-
Green Recovery Challenge Fund	-	-	-	-	-	91,152	(91,152)	-	-
Unique FY Media	-	-	-	-	-	37,572	(3,935)	-	33,637
Green Influencers	-	-	-	-	-	18,500	(894)	-	17,606
Urgent Discharge	-	-	-	-	-	25,000	-	-	25,000
	<u>747,784</u>	<u>3,103,654</u>	<u>(3,092,577)</u>	<u>-</u>	<u>758,861</u>	<u>2,285,404</u>	<u>(2,272,592)</u>	<u>-</u>	<u>771,673</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.

Winkley 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 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.

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

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

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.

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.

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.

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 up to 25 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 2021 are represented by:

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

Fund balances at 31 March 2020 are represented by:

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

Free reserves:

	2021	2020
Net current assets	<u>£817,887</u>	<u>£602,818</u>

### 15. Analysis of changes in net debt

Cash and cash equivalents	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash	<u>1,312,597</u>	<u>93,543</u>	<u>1,406,140</u>
	<u>1,312,597</u>	<u>93,543</u>	<u>1,406,140</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 31<sup>st</sup> March 2021.

### 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

	2021 £	2020 £
Payable within		
One Year	91,594	69,020
Between 2 and 5 year	31,434	90,040
After more than 5 years	-	-
	<u>123,028</u>	<u>159,060</u>