

**Registered number: 01982077**  
**Charity number: 293705**

**The Groundwork South Trust Limited**  
**(A company limited by guarantee)**

**Trustees' report and financial statements**

**For the year ended 31 March 2017**

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**The Groundwork South Trust Limited**  
**(A company limited by guarantee)**

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**The Groundwork South Trust Limited**  
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**Reference and administrative details of the charity, its trustees and advisers**  
**For the year ended 31 March 2017**

**Trustees**

J A Bradley, Chair (re-appointed 14 March 2017)  
R C Morley (re-appointed 14 March 2017)  
C Newnes-Smith (appointed 14 March 2017)  
D Davidson (appointed 14 March 2017)  
G Beal (appointed 14 March 2017)  
G Cooper (resigned 14 March 2017)  
S Graham (resigned 14 March 2017)  
H Somerville (resigned 14 March 2017)  
R Harrison (resigned 14 March 2017)  
M Heeley (resigned 14 March 2017)  
J Smith (resigned 14 March 2017)

**Company registered number**

01982077

**Charity registered number**

293705

**Registered office**

The Colne Valley Park Centre  
Denham Court Drive  
Denham  
Uxbridge  
UB9 5PG

**Company secretary**

R M Holland (resigned 16 June 2017)  
C Woodcock (appointed 16 June 2017)

**Chief executive officer**

Lou Kizwini (resigned 31st July 2017)  
Gary Jacobs (appointed 1st August 2017)

**Independent auditors**

Kreston Reeves LLP  
Chartered Accountants  
Third Floor  
24 Chiswell Street  
London  
EC1Y 4YX

**Bankers**

HSBC  
9 Penn Road  
Beaconfields  
Chalfont St Peter  
Buckinghamshire  
HP9 2PT

**The Groundwork South Trust Limited**  
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**Trustees' report**  
**For the year ended 31 March 2017**

The Trustees present their annual report together with the audited financial statements of The Groundwork South Trust Limited for the year 1 April 2016 to 31 March 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

**Objectives and Activities**

• **The Members of the Groundwork South Trust**

Groundwork South is a wholly owned subsidiary of Groundwork London.

• **The Board of Trustees**

The Board of Trustees comprises the Trustees of the Trust in accordance with the Charities Act 2011 who are also the Directors of the company in accordance with the Companies Act 2006. The Board shall comprise a minimum of six and not more than twelve Trustees one of which shall be the Trustee nominated by the Federation of Groundwork Trusts. If new Trustees are required candidates with the required skills and experience are interviewed by a sub-group of the Trustees prior to recommendation being made to the full Board. When recommendation to appoint is made, the successful candidate is then invited to join the Board of Trustees. Groundwork South provides key information to any new Trustees including the governing document, recent accounts and meeting Minutes as part of the induction process. New and existing Trustees regularly attend visits to see our programmes of work in action, meet the charity's officers and beneficiaries and understand our impact. The Board reviews requirements to recruit new Trustees and the identification of training needs.

All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 7 to the accounts. Trustees are required to disclose all relevant interests and register them with the Company Secretary and, in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises.

The Board of Trustees delegates overall responsibility for business management of all Groundwork South activities to the Executive Director who reports to the Chair of the Board. The Executive Director executes his duties with the support of four senior managers. The Senior Management Team is comprised of the following members:

Gary Jacobs	Executive Director
James Faires	Operational Delivery Manager
Kevin Jackson	Service Lead OOC
Becky Spake	Operational Delivery Manager
Claire Woodcock	Central Services Manager

The SMT meets monthly to review performance against all key business indicators and to review the trusts risk register across the entire operation. SMT decisions and recommendations are implemented by SMT members and/or presented to the Board sub-committees for further discussion or approval, as appropriate.

The pay of the Executive Manager is reviewed annually and benchmarked against relevant available data for the charity sector, for example the ACEVO Pay Survey.

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**Trustees' report (continued)**  
**For the year ended 31 March 2017**

• **Objectives and Activities**

Our charitable objectives set down in our Memorandum of Association as amended at the Annual General Meeting on 30th November 2005 are:

- To promote the conservation, protection and improvement of the physical and natural environment in the South East and South West regions of England, and the administrative areas of the London Borough of Hillingdon, the London Borough of Hounslow, and that part of the District of Three Rivers within the Colne Valley Regional Park ("the Beneficial Area").
- To provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living or working anywhere in the Beneficial Area.
- To advance public education in environmental matters and other ways of better conserving, protecting and improving the same wheresoever.
- To promote the care, resettlement and rehabilitation of offenders, ex- offenders and those at risk of offending, and to support their families and dependents, within the beneficial area.
- To promote the prevention of crime by supporting or carrying on either along or in co-operation with any other body, authority or person any project or scheme and by providing money for such purposes whether by loan or otherwise.

• **Chairman and Executive Director's introduction**

It is a pleasure to share the news of our activity over the last year. We are especially pleased to have worked with such a number and breadth of different partners which is integral to our ability to deliver our charitable objectives. Whether it is supporting young people to develop their potential and become more employable or whether it is protecting and improving local open spaces for communities, our partners are critical to achieving our charitable outcomes.

The operating environment is becoming even more challenging for all charities and social enterprises and Groundwork South is no exception. With a geographical area of approximately 16,570 miles<sup>2</sup> (42,920 km<sup>2</sup>) and a population of 23.8 million people we cover a diverse operating area.

2016/17 was a challenging year and we have implemented various changes in our structure to help shape the organisation for a far more competitive operating environment. Having lost the central government grant in 2014/15 and experienced a significant reduction in local authority core grant, the Trust also had to overcome the significant fall in income due to the completion of a large programme of work with Southern Water. This led to the deficits in 2015/16 and 2016/17 but having dramatically increased our secured income for 2017/18, allied with a lower cost base we are confident that we will be able to report a much improved position at the end of 2017/18.

In March 2017 Groundwork South became a wholly owned subsidiary of Groundwork London. We have increasingly been collaborating with Groundwork London on a number of major programmes and contracts across the wider region and this collaboration will maximise investment in front line delivery and provide a stronger platform for enabling communities and partners across the South to benefit from the full range of Groundwork services and expertise.

Given the political and economic backdrop we know more people will need more support to access economic opportunity and cope with the damaging impacts of climate change. This means organisations like ours have a responsibility to respond and to mobilise our resources in a way which is going to deliver maximum impact. This will enable Groundwork South to have a much stronger, more efficient platform for helping communities across the South. We will be able to build on a structure which is far more viable for the future.

Even with the challenges we faced in 2016/17, we still achieved a high level of quality in all aspects of our work. Last year we maintained our existing quality accreditations (ISO14001, Investors in People and the Positive about Disabled People mark) and also achieved ISO 9001 accreditation and the Health & Safety

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**Trustees' report (continued)**  
**For the year ended 31 March 2017**

standard of OHAS 18001. This commitment to quality is a fundamental part of our business strategy and is proving to be a real benefit in gaining and maintaining contracts.

With a more viable and flexible structure which is better shaped for the evolving operating environment we are confident in our plans for the future.

**Achievements and performance**

● **Overview**

Groundwork South is passionate about helping to create a future where everywhere is vibrant and green, every community is strong and able to shape its own destiny and where everyone can reach their potential. That's why as part of the national Federation of Groundwork Trusts we've been working with partners for over 35 years, supporting local communities to tackle big social and environmental challenges.

● **Our Staff**

Groundwork South has tremendous staff – talented and committed to making positive change for those communities they support through our projects.

A strategic priority for Groundwork South is to **foster a culture to attract, develop and retain highly motivated people**. We know that it is the passion, hard work and commitment of our employees and volunteers that is critical to achieve our charitable outcomes. We also understand our quality of delivery is dependent on various factors such as IT systems, technology and materials, but the over-riding factor is the people we employ carrying out the work. Consequently, we want to attract and keep good people as they will deliver our charitable outcomes to the level of quality required to satisfy clients, partners and beneficiaries.

We have continued to maintain **Investors in People** status since March 2004. This achievement demonstrates our commitment to achieve our business objectives by developing and harnessing the skills of our people and reflects our commitment to being an employer of choice for current and prospective staff. As part of our commitment to a diverse workforce, we hold 'Positive about Disabled People' status with the Disability Two Ticks mark.

We celebrate **equality and diversity** and aim to promote a culture where differences between people are respected and valued. We deal with people internally as individuals, whilst recognising that many people share common experiences based on their background. We will continue to create and maintain an environment that meets the needs and aspirations of our own people, clients, partners and beneficiaries irrespective of race, gender, disability, sexual orientation, religion or age. Furthermore, our policies and procedures are continually reviewed in line with best practice and legislation and will continue to reflect Groundwork South's commitment to equal opportunities.

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**Trustees' report (continued)**  
**For the year ended 31 March 2017**

• **Objectives & Activities**

Our charitable objectives are delivered through our three over arching themes of Greener Living & Working, Youth & Employment and Parks & Open Spaces.

• **Greener Living & Working - to cut energy, save money and create less waste**

Against a backdrop of climate change and rising energy prices we deliver environmental education and advice programmes to families, schools and businesses to help to cut energy, save money, and create less waste.

• **Youth & Employment - to support people furthest from the job market to develop their skills and find work**

Up to 1m young people may be NEET (not in education, employment or training) and the cost to society of young people who remain NEET has been calculated at £104k/person over their lifetime. We deliver programmes to provide advice, training and job opportunities for young people to develop their skills and find jobs.

• **Parks & Open Spaces - to protect, improve and manage parks and open spaces for the benefit of local communities.**

Access and use of parks and open spaces is vitally important for people's well-being. Yet there is increasing pressure on these spaces and the risk of neglect as funding becomes squeezed. We work directly with local communities, government, landowners and other partners to design and implement improvements in parks and open spaces, safeguarding them for future generations.

• **Our Strategic Priorities to Achieve Our Aims**

To ensure the growth of our operation and increase in our charitable impact we will:

- Raise our profile with target audiences to become a partner of choice
- Diversify our sources of income to be resilient and sustainable
- Foster a culture to attract , develop and retain good people
- Ensure Health & Safety and Quality remains a key business priority

• **Strategic Report - Our Achievements & Performance**

**Changing Places, Changing Lives in 2016/17**

We measure our success by recording our charitable impact and tracking progress against our strategic priorities.

We operate across our charitable area from a range of centres that are critical to achieving our impact. They provide the bases from which we manage and deliver our activities with partners and communities.

The centres include community venues, charity retail outlets (community cafes and charity stores), education and environment centres and are listed below:

- Lockleaze Youth & Community Centre, Bristol
- Goblin Combe Environment Centre, Cleeve, North Somerset
- Saltmill Park, Saltash, Cornwall
- Twice as Nice Charity Store, Weymouth, Dorset
- Energy Youth Centre, Eastleigh, Hampshire
- Velmore Community Café, Chandlers Ford, Hampshire
- Netley Community Café, Netley, Hampshire

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- Braywick Environmental and Conservation Centre, Maidenhead. Berkshire
- Tilgate Walled Garden, Crawley East Sussex
- Changing Gears Training & Charity Store, Brighton
- Iver Environment Centre, Iver, Berkshire
- Slough Bike Hub, Slough, Berkshire
- Auto Skills Training Centre, Reading, Berkshire
- Yiewsley Charity Shop, Uxbridge, West London
- Colne Valley Park Visitor's Centre, Denham, Buckinghamshire
- Riverside Community Centre, Gravesend, Kent

On the following pages are just some of the programmes and outcomes we aim to deliver from these centres in each of our three themes.

**Greener Living & Working**

**Achievements in 2016/17**

Against a backdrop of climate change, increasing pressure on natural resources and high energy prices our Greener Living and Working programmes raise awareness amongst individuals and communities on how to manage their environmental impact and to support them to cut energy and water in order to save money, and create less waste.

Our **Green Doctors** offer expert advice and guidance at road-shows, community events and in the home, often to those who are most vulnerable and at risk of fuel poverty. They help people to use energy and water more efficiently in their homes and safeguard against ill health by providing practical support that helps residents keep warm and stay well. Each Green Doctor service is designed as a tailored package of energy efficiency and money saving advice and support based on partners and priorities underpinned by our expertise in meeting the individual needs of residents. The high level of training our Green Doctors receive along with our unique multi-agency approach makes it possible for them to respond to a range of health and well-being issues during a home visit, making referrals to health or social care professionals when necessary.

With Groundwork London we continued delivery of the contract to deliver a customer engagement programme for **Thames Water**. Although the programme is based mainly in London Groundwork South provided advice and support to 17,000 households in the Thames Valley area. Our Green Doctors were also in action to help **Hastoe Housing Association** residents in **Devon & Cornwall** and **MHS** residents in **Medway** whom we visited to provide advice on energy efficiency which will also help them save money.

In 2016/17 we continued the management of the partnership for the **Business Improvement District (BID)** at the **Globe Park & Marlow** industrial estates, **High Wycombe**. This initiative improves the local environment in business areas, providing a more enjoyable and attractive working area, supporting business growth and staff retention. Our Programme Manager for the BID oversees the landscaping improvements and high quality green space work funded by the agreed precept levied on the occupants.

In **Brighton**, at our community bike repair and restoration project, **Changing Gears**, we provide training in bike maintenance (and can fix your bike for you too), restore and sell pre-loved bikes and provide volunteering and accredited training opportunities for people of all ages. We help people to enjoy the benefits of cycling, improving skills, confidence and health as well as cycle safety and access to affordable transport. Cycling has positive effect on the environment too reducing waste, congestion, air pollution and CO2 emissions.

In 2016/17 we continued the project management of the **Heston West BIG Local**, a lottery funded project in **west London**. To deliver the programme we worked with the **Heston West Community Partnership (HWCP)** made up of local residents and stakeholders to enable the local community to make decisions on improving the area over the next ten years.

Our **Environment Centres** offer a wide range of groups and communities fantastic opportunities to build their knowledge and understanding of the natural world. From the various centres we deliver outdoor curriculum based educational activities for schools, horticultural therapy programmes for adults and volunteering opportunities for individuals and teams from corporate partners.



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**Trustees' report (continued)**  
**For the year ended 31 March 2017**

At our **Goblin Combe Environment Centre in North Somerset** we have 130 acres of mixed woodland, including Sites of Special Scientific Interest (SSSI), a Scheduled Ancient Monument, a camping field and a residential facility. From the centre we delivered a variety of programmes for schools, clubs, youth and community groups where they could access the outdoors and learn and explore the natural environment.

In 2016/17 at the **Iver Environment Centre**, sponsored by **National Grid**, 4,000 school children visited the centre to build their knowledge and understanding of the natural world. Our horticultural therapy programme has been running for the past 20 years providing opportunities for adults with physical and learning disabilities to grow and care for plants in the centre's sensory allotments.

On behalf of the **Royal Borough of Windsor and Maidenhead** we manage the **Braywick Nature Centre** where we hosted thousands of children in the summer months. Children are inspired about the natural world through trails where they hunt for insects in the long grass, catch tadpoles and dragonfly nymphs in the wildlife pond, and build dens and campfires in the woods. In winter the centre is busy with community groups and corporate teams volunteering their time to help manage the woods and meadows.

On October 1st 2016, Groundwork South took on a 25-year contract awarded by **Oxfordshire County Council** to manage their three outdoor activity centres (the **Oxfordshire Outdoors service**). Two of these centres are based in south Wales (one near Swansea; one in Glasbury on Wye) and the third centre is located on the Devon/Somerset borders. The Service delivers high quality outdoor experiences and environmental education to schools across Oxfordshire and each year some 6,000 young people attend the centres. Concentrating on the personal development of each individual, we focus on the skills required for living together as a small community. To do this, we make full use of the natural environment for experiences such as rock climbing and abseiling, surfing, orienteering, caving, open canoeing, kayaking, coastal exploration, mountain walking and our in-centre ropes course. In addition to the physical elements we offer a wide array of field study options across all Key Stages and exam levels. We do this by making full use of a range of habitats and locations which include rocky shorelines, salt marshes, sand dunes, historical venues and industrial and maritime studies available in this part of the world.

In 2017/18 we will continue the project management of the BIG for Littlemore programme, a lottery funded project in Littlemore, Weymouth. To deliver the programme we worked with the local community supporting them to make decisions on what needs to be done to improve their local area over the next ten years.

**Future Plans – 2017/18 and beyond**

With **Groundwork London** we aim to continue to deliver the Field Based Customer Engagement programme for **Thames Water**. In 2017/18 we aim to deliver visits to a further 16,000 households in the Oxford and Newbury areas. In addition we are actively engaging with other utilities, housing associations and local authorities across our area to develop new Green Doctor programmes.

In 2017/18 we will continue our work in the **Business Improvement District (BID)** at the **Globe & Marlow** industrial estates, **High Wycombe**. There are plans that are being developed for a series of initiatives that will improve the local environment in business areas including a Green Travel Plan and landscaping improvements.

Over the next five years we aim to expand the environmental education programmes delivered from our centres. We have set ourselves the annual target of working with at least 400 schools and 500 community organisations to help children and adults build their knowledge and understanding of the natural world. At our **Goblin Combe Environment Centre** we will continue to offer curriculum based activities for schools and a variety of outdoor experiences for youth clubs and other community groups and in 2016/17 we will be extending the outdoor classroom facility at the centre. Our long standing partnership with **National Grid** continues at the **Iver Environment Centre** (a two-acre site we have managed for over 25 years) and at this centre we have secured ongoing programmes of work for environmental education programmes for schools as well as delivering horticultural therapy for adults with learning difficulties. We will also continue to manage the **Braywick Environmental and Conservation Centre** on behalf of Windsor & Maidenhead BC where the large classroom has secured bookings from schools and other groups.

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In 2017/18 we will complete our first full year of the **Oxfordshire Outdoors concession** on behalf of **Oxfordshire County Council**. The service is run from three wonderful outdoor education centres on the Gower Peninsula, in the Brecon Beacons and on Exmoor with a total of 150 beds. Generations of Oxfordshire school children and young people have experienced a life enhancing experience of adventure based residential and curriculum based courses. We will build on that legacy to grow the service to more schools and community groups.

We have also secured the opportunity to operate a licence from the **Forestry Commission** for the direct delivery of learning programmes at **Alice Holt Forest**, north of **Farnham in Surrey**. Project delivery comprises predominantly of year-round, curriculum-linked guided school visits for participants from reception to KS4. In addition to this, public engagement activities are to be held during the holidays.

**Youth & Employment**

**Achievements in 2016/17**

We are committed to improving life chances for young people across our charitable area. Working with schools, local authorities and a range of organisations from the public and private sectors, we provide accredited opportunities that increase access to education, employment, training and citizenship. We are dedicated to developing projects that enable volunteers to benefit themselves and their communities.

At a time when the level of youth unemployment remains stubbornly high, we support people furthest from the job market to develop their skills and find work. Our work includes a range of training and employment programmes that provide niche services predominately for young people who are not in mainstream education or employment.

Our **Green Teams** are made up of 8-10 young people working outdoors to protect and improve the environment. The team members are often young, unemployed and lacking experience and qualifications. Some of these young people will be in very challenging situations including being in trouble with the police. Green Teams offer them the opportunity of obtaining formal training and becoming paid apprentices. From grass cutting to woodland management, play equipment inspections to recycling, the teams respond directly to issues identified by local people swiftly and professionally. The programme helps develop individuals' skills and knowledge and increases their employment opportunities ideally in the local area.

In 2016/17, we completed the third twelve month apprenticeship programme for ten local young people working with **Gravesham Borough Council**. The apprentices formed a Green Team delivering improvements to green spaces across the council area and leading to an NVQ in horticulture.

At the **Tilgate Walled Garden in Crawley** we restored one of the original glasshouses with landfill funding and have brought it back into active use. This has enabled us to deliver more training schemes from the garden and provide opportunities to work with the local community to introduce food growing and healthy eating programmes as well as providing the produce for the community cafe leased from **Crawley Borough Council**.

In 2016/17 we commenced delivery for **Reed in Partnership** to deliver an employment programme funded by the DWP. This is a three year programme aimed at improving employment prospect for local unemployed people in Cornwall.

**Future Plans - Youth & Employment**

In 2017/18 we will continue management of the **Tilgate Walled Garden Café in Crawley** and aim to continue to provide opportunities for training in the newly restored glasshouses. In the café itself we will also seek to host apprentices from the local community. This café is a large operation, with a turnover approaching £400,000, providing a first working experience to a largely young workforce in a dynamic and demanding environment.

As with all local authorities **Hampshire County Council** is under severe pressure to shrink its budgets again in 2017/18 but we are delighted that the council wishes to continue funding the youth work that we deliver on their behalf in 2017/18 and hopefully beyond. Although the funding is at a lower level we are committed to work with other partners to build the service's reach and capacity over the next year.

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In 2017/18 we will commence delivery of two employment related programmes within the Lottery/European funded **Building Better Opportunities (BBO)** programme in **Cornwall** and in the **Thames Valley**.

Building on our successful delivery of the **National Citizen Service** programme since 2013 we aim to expand our delivery in **Sussex**, to work with at least 500 young people a year from 2017/18 onwards. We aim to utilise our residential facilities at the Environment Centre at **Goblin Combe** in **North Somerset** to host NCS participants as well as expanding the offer of the residential facilities at the three Oxfordshire Outdoors centres that we are now managing.

**Parks & Open Spaces**

**Achievements in 2016/17**

We protect, improve and manage parks and open spaces for the benefit of local communities. The local environment matters and experience tells us that people living in places that are greener, cleaner and safer live healthier and happier lives. This is why parks and open spaces continue to be such a critical aspect of our work delivered with partners and local communities.

Our qualified **Landscape Architects and Community Teams** work with local authorities, housing associations, community groups and local businesses. Together they design and create innovative and sustainable places that can transform local environments and improve people's lives. Our portfolio includes community gardens, school grounds, play areas, allotments, informal open spaces and parks. Last year we worked closely with our partners and the local community to further enhance the facilities at **The Vench** in **Lockleaze, Bristol**. Improvements to the outdoor space were completed in the summer of 2016 including new play equipment and raised planters for horticultural activity.

To the west of London, we continue to be an active partner in the **Colne Valley Regional Park (CVRP)**. We are the managing agent for the **Colne Valley Park Community Interest Company (CIC)** which leads on developing plans to enhance and protect the future of the park. Within the CVRP we manage the Visitor Centre in **Denham Country Park** (which attracts 30,000 visitors each year) and manage the land owned by the CIC. Income has also been secured to recruit an officer to develop the mitigation plans for the environmental impacts of HS2 on the Colne Valley Park.

In 2016/17 we continued the delivery of the **Tesco Bags of Help** programme a national programme being delivered by all Groundwork Trusts. Our Community Enablers facilitated the identification local projects to improve green spaces (pocket parks, sports facilities, woodland walks and community gardens) in local communities. Tesco voting panels selected open spaces that received funding (raised from the 5p bag charge scheme) for physical improvements.

2016/17 was the final year of **Go with the Flow**, a three year programme funded by the **Heritage Lottery Fund** delivered in **Havant and Waterlooville** in **Hampshire**. Having conducted community consultation on the proposals we implemented a series of physical improvements to the stream corridor to increase community use.

**Future Plans – 2017/18 and beyond**

In 2017/18 we will continue to deliver the outcomes of the HLF grant to bring the cherished landscape of the **Colne Valley** back from the brink of irreversible decline. With our partners we also planning the delivery of a £300,000 programme to improve the **Colne Valley Park** and to continue to manage several well-loved local events, the highlights being the Colne Valley Festival and the Colne Valley Food & Music Festival attended by thousands of people.

We will continue our successful relationship with the **Combe Valley Park CIC** through the role of Managing Agent and now that the funding has been released through the S106 route we will be able to continue work to improve access and awareness of the park, leading to greater visitor numbers.

After successful funding bids to the Heritage lottery Fund and the European Interreg fund we will be working

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closely with Hastings Council to design and build a new visitors' centre for the **Hastings Country Park**. The funding enables the construction of the new building, the refurbishment of an existing building and interpretive signage through the park, focused on the heritage within the town. Once complete Groundwork will manage the centre in a similar fashion to our approach in the other two country parks described above.

In 2017/18 with all the other Groundwork Trusts and Groundwork UK we will be delivering the **Tesco Bags of Help** programme. Our Community Enablers will be working with all the Tesco stores in our Trust's area to facilitate the identification of projects to improve green spaces (pocket parks, sports facilities, woodland walks and community gardens) in local communities. Once the projects are identified our Community Enablers facilitate a voting panel to select those spaces that will receive funding (raised from the new 10p bag for life charge scheme) for physical improvements.

**Financial review**

• **Quality Management & Accreditations**

We plan to maintain existing standards and accreditations **ISO14001, OHSAS 18001 and ISO 9001** within an Integrated Management System.

These standards and accreditations reflect our commitment to the health and safety of all people associated with our work as well as our passion for quality of delivery to clients and partners.

We have established a strong quality ethos supported by systems and processes that we believe are effective and adaptable to respond to changes in our operating environment. Our approach is underpinned by external verification and we have the following accreditations.

In 2016/17 Groundwork South maintained ISO14001, OHSAS 18001 and ISO 9001 for all its operational areas. This ensures compliance with legislative and other requirements by providing a systematic approach for meeting current and identifying future legislation. It helps us demonstrate conformance and that we are fulfilling policy commitments and making continual improvement against specific targets to meet overall objectives.

**Quality Management - Health & Safety and Environment**

Our **Health and Safety** system adopts a tiered system as follows;

The **first tier** is the Health & Safety policy which addresses the company's responsibilities under the Health & Safety at Work Act, 1974. The policy sets out the strategy for Health and Safety applicable to the whole organization and assigns responsibilities at a senior level, including the requirement for responsible managers to instigate and maintain an effective H&S management system.

The **second tier** is specific to the operational activities of The Groundwork South Trust and assigns responsibilities to managers, team leaders and supervisors as well as establishing a management system that:

- Details local organization and arrangements
- Implements systems for identification and control of risks
- Maintains a monitoring strategy
- Provides effective communications

The **third tier** is a document that provides practical guidance around specific activities (e.g. CDM regulations, First Aid, Fire Precautions etc.). All these documents have been produced to provide a safety management system that complies with OHAS 18001.

**Environmental quality** is at the heart of all our activities.

We are committed to the environment, not only in our projects and programmes, but also in the way resources and energy are used within our own organization. Groundwork seeks to bring about sustainable improvements through partnerships, to local environmental, economic and social well being. We aim to make the environment a valued part of everyone's life.

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Our Environmental Management System (EMS) describes key environmental impacts, what we will do to minimize those impacts and provides links to all the procedures that underpin the EMS. This is supported by specific procedures which are written and implemented to ensure relevant environmental control and that the relevant objectives are being achieved. The procedures will communicate what activities need to be done, when these need to take place and how they are completed.

The environmental management system is designed to ensure the following:

- Compliance with any relevant environmental legislation
- Awareness of the organizations significant environmental impacts
- Reduction of our impacts and continual improvement of our environmental performance

Our EMS system has enabled us to secure and maintain the **ISO14001** accreditation.

We have also achieved the **Quality** accreditation, **ISO9001**, which reflects the application of efficient and effective business processes.

• **Our Finances in Brief**

**Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**How We Raised Our Money**

Although income from our key clients and partners remains strong, the funding type has changed dramatically. Central government grant has ceased completely and we receive much less grant income overall. But this downturn has been counteracted by an increase in contract income from both public and private sector sources.

**How We Spent Our Money**

The money we raise from our clients and partners is entirely focused on building our capability with local communities to deliver our three charitable outcomes. An overview of the split of expenditure against our different themes is given below:

	Expenditure	
	£	%
Greener Living & Working	2,796,595	44.2%
Youth & Employment	1,737,350	27.4%
Parks & Open Spaces	1,795,486	28.4%
Total	6,329,431	100.0%

• **Financial Review**

**The Outturn for 2016/17**

A detailed set of accounts is provided in the financial statements that follow the strategic report.

The income to Groundwork South showed an increase to £6,602,167 from £5,672,836 in 2015/16 but due to insufficient income and poor financial performance on some programmes, the Trust experienced a deficit of £1,051,212.

2016/17 was always predicted to be an extremely challenging year having lost all central government grant funding, virtually all local government core grant funding and the loss of income after the completion of the large Southern Water programme. In addition, the trust has had to deal with several poorly performing

**The Groundwork South Trust Limited**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 March 2017**

programmes that were legacies of the previous constituent local Trusts prior to merger into Groundwork South. As a result, the Board instructed management action to reduce overhead costs further to ensure a sustainable business model for the future. The Trust has reduced its overhead costs by circa 45% from the original budget for 2015/16.

The balance sheet has been adversely impacted by this deficit. Arrangements have been made with the Trust's parent company to provide loan facilities which are secured on the freehold land and buildings owned by GS. This arrangement has ensured that GS had a stable cash flow position from March 2017.

In addition, financial procedures have been reviewed and new full cost recovery model has been implemented to ensure costs meet programme and overhead budget plans and that the procurement procedures are sound.

The financial statements have been prepared on a going concern basis and the Board of Trustees meets monthly to ensure robust and regular scrutiny of the Trust's finances. The losses experienced in 2015/16 have been considered within the context of several years of positive growth and the strengthening of the reserves in 2014/15 by the acquisition of the Goblin Combe Environment Centre which in addition to its potential for expanding charitable activity is also a considerable fixed asset for the Trust.

The outlook for 2017/18 is much more promising. GS has secured income of circa £7.3m for the year to enable a near break even outturn for 2017/18. This represents a substantial improvement from last year's position and signifies a stabilisation of the trust.

● **Reserves Policy**

The Board reviewed the Reserves Policy and agreed that a reasonable level of unrestricted reserves is required for the following reasons:

- To absorb short term set backs such as loss or delays in funding
- To finance working capital needs, such as delays in receipts and to fund the time delays between the development of projects, securing support, and the funds being received
- To provide the working capital required to manage the usual retrospective nature of the programme funding which can result in considerable timing difference between expenditure and receipt of income
- To cover the cost of investing in staff training and development to develop new and improved services for the Trust
- To set aside funds for other appropriate capital assets such as IT equipment and for properly equipping the Trust
- To provide funding to cover any unforeseen downturn in activity, allowing alternative activity to be generated and/or a planned downsizing of activity

These requirements for reserves have to be balanced against the following factors:

- The need to be seen as a responsible charity by the Charity Commission, our partners, our member Trusts within Groundwork and the communities we serve; and
- The need to avoid the creation or retention of unnecessary surpluses for which there are no future planned requirements or that bear no relation to the Trust's charitable aims

**The Groundwork South Trust Limited**  
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**Trustees' report (continued)**  
**For the year ended 31 March 2017**

• **Principal Risks and Uncertainties**

The Board fully accept its responsibilities under the Charity Commission's Statement of Recommended Practice (SOAP) 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. Strategic risks are those that could have a severe impact on either operational performance or achievement of purposes, or could damage either the Trust's or the Groundwork Federation's reputation. These risks are identified and assessed by the Board and the Executive Management Team and are mitigated by planning and implementing appropriate management actions. The identified risks and the mitigating actions are incorporated into a risk register.

As a result of the implementation of the Trust's Risk Management System, the Board has concluded that the major risks to which the Trust is exposed have been identified and reviewed, and that systems are established to mitigate those risks in accordance with the Charity Commission's Statement of Recommended Practice. The major areas of risk identified and regularly reviewed are presented in the table on the following page together with the control measures.

Each month the Executive Management team undertakes a review of the risks and progress against mitigating actions. This is reported on a quarterly basis in the first instance to the Staff, Finance and Audit Committee and then subsequently to the Board for its review and comment.

The Executive Management Team, Staff, Finance and Audit Committee and Board have therefore:

- Reviewed the main, high impact generic risks
- Established a risk register of all the significant risks which might impact on the Trust's core purposes and key objectives
- Established a bottom-up and top down process of risk identification, assessment, mitigation and monitoring for all likely risks with the Trust
- Produced a quarterly report designed to eradicate or mitigate the risks identified

Risk	Control Measure
Legal compliance. Groundwork South does not comply with minimum legal statutory requirements across all areas of its business.	Integrated Management System developed and in place including processes for ensuring Groundwork South remains up-to-date with any changes in legal requirements.
Financial management. Groundwork South does not have adequate financial processes to ensure the appropriate level of management and control of finances.	Financial processes implemented with monitoring and reporting system supported by an integrated financial and project management system.
Operational processes. Groundwork South does not have adequate operational processes to ensure the appropriate level of management and scrutiny of operational activity.	Project development and management procedures implemented monitored and controlled through use of integrated financial and project management system.
Staff management. Groundwork South does not have adequate staff management processes in place to ensure high performance.	Recruitment and selection process to ensure the right blend of skills, experience, knowledge and attitude. Formal performance management procedures implemented.
Business Development. Lack of investment and management focus applied to business development activity.	Appropriate management time and financial investment in business development achieved through employment of specialized business development staff with investment into PR, marketing and communication activities.
Client management. Communications with clients are ineffective and Groundwork South does not have a good understanding of their level of satisfaction with Groundwork South and the quality of our service.	Project evaluation process in place including assessment of client satisfaction and internal procedure for communicating and implementing 'Lessons learnt'.
Disaster/pandemic. A disaster or pandemic causes serious disruption to operational activity.	Business continuity plan developed and tested.

**Trustees' report (continued)**  
**For the year ended 31 March 2017**


Global/national economy. Significant changes in global and national economies such as recession and financial crisis and the impact on the political environment.	Market analysis conducted at a strategic level and analysis of central and government policy to ensure GS charitable activity remains relevant and viable.
Client requirements change. Shifts and changes in clients' priorities and requirements lead to Groundwork's offer becoming less relevant or out of date.	Stakeholder plan implemented to maintain understanding of key clients' and partners' needs.
Competitor advantage. Competitors offer more relevant and cost effective services to our existing and potential clients.	Assessment of services offered by competitors and review of bids lost carried out to maintain an understanding of competitor activity.


• **Business Model and Plans for the Future**

In 2017/18 Groundwork South will continue to deliver the Federation 2020 strategy by integrating its services with Groundwork London.


# GROUNDWORK 2020

Groundwork is an environmental charity that provides training and creates jobs, reduces energy use and waste, re-connects people with nature and transforms whole neighbourhoods. We have set ourselves the following targets by 2020:

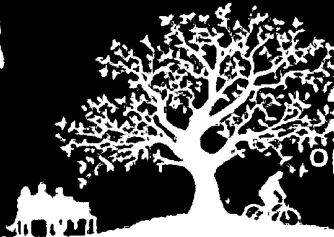





**10,000**  
young people  
more motivated to  
learn and achieve




**15,000**  
people progressing  
into training or employment



**2,500**  
open spaces  
improved or  
looked after



**100,000**  
people helped  
to reduce their energy  
and water use.



**1,000,000**  
days of voluntary  
action to improve  
local communities.

We have increasingly been collaborating with Groundwork London on a number of major programmes and contracts across the wider region. The decision to integrate the two organisations will maximise investment in front line delivery and provide a stronger platform for enabling communities and partners across the South to benefit from the full range of Groundwork services and expertise.

Given the political and economic backdrop we know more people will need more support to access economic opportunity and cope with the damaging impacts of climate change. This means organisations like ours have a responsibility to respond and to mobilise our resources in a way which is going to deliver maximum impact.



**The Groundwork South Trust Limited**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 March 2017**

will enable Groundwork South to have a much stronger and more efficient platform for helping communities across the South. We will build on the strong partnerships we have already developed with local authorities and housing associations, and will tailor our programmes to meet their changing needs and focus on our areas of strength and operational capacity

Financially, 2017/18 is forecast to be a significant turnaround from the past two years. Having reduced overhead costs by 40% we have become more efficient in project delivery and with a stronger order book, the trust's turnover is forecast to be £7.3m, with a marginal deficit of £100k by April 2018.

**Structure, governance and management**

- **Constitution**

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 30 November 2005

The charity is constituted under a Memorandum of Association dated 30 November 2005 and is a registered charity number 293705.

The principal object of the charity is to provide facilities in the interests of social welfare for recreation and leisure time occupation.

- **Risk management**

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

**The Groundwork South Trust Limited**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the year ended 31 March 2017**

**Trustees' responsibilities statement**

The Trustees (who are also directors of The Groundwork South Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

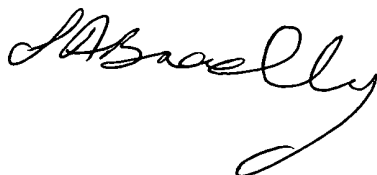
**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees, on 15 December 2017 and signed on their behalf by:

**J A Bradley**  
Chair



**R C Morley**  
Vice Chair



**The Groundwork South Trust Limited**  
**(A company limited by guarantee)**

**Independent auditors' report to the members of The Groundwork South Trust Limited**

We have audited the financial statements of The Groundwork South Trust Limited for the year ended 31 March 2017 set out on pages 19 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of Trustees and auditors**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charity 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

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 2017 and of its incoming resources and application of resources, including its income and expenditure, 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

**The Groundwork South Trust Limited**  
**(A company limited by guarantee)**

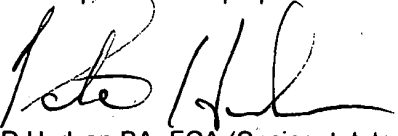
**Independent auditors' report to the members of The Groundwork South Trust Limited**

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

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

We have nothing to report in respect of the following matters where the 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; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



P D Hudson BA, FCA (Senior statutory auditor)  
for and on behalf of  
**Kreston Reeves LLP**  
Chartered Accountants  
Statutory Auditor  
Third Floor  
24 Chiswell Street  
London  
EC1Y 4YX  
15 December 2017

**The Groundwork South Trust Limited**  
**(A company limited by guarantee)**

**Statement of financial activities incorporating income and expenditure account**  
**For the year ended 31 March 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>Income from:</b>					
Donations and legacies	3	822	5,546	6,368	48,305
Charitable activities	4	16,546	5,973,705	5,990,251	5,623,868
Investments	5	88	-	88	261
Other income	6	5,460	-	5,460	402
<b>Total income</b>		<b>22,916</b>	<b>5,979,251</b>	<b>6,002,167</b>	<b>5,672,836</b>
<b>Expenditure on:</b>					
Charitable activities		723,948	6,329,431	7,053,379	6,649,965
<b>Total expenditure</b>		<b>723,948</b>	<b>6,329,431</b>	<b>7,053,379</b>	<b>6,649,965</b>
<b>Net expenditure before transfers</b>		<b>(701,032)</b>	<b>(350,180)</b>	<b>(1,051,212)</b>	<b>(977,129)</b>
Transfers between funds	14	(350,180)	350,180	-	-
<b>Net expenditure before other recognised gains and losses</b>		<b>(1,051,212)</b>	<b>-</b>	<b>(1,051,212)</b>	<b>(977,129)</b>
<b>Net movement in funds</b>		<b>(1,051,212)</b>	<b>-</b>	<b>(1,051,212)</b>	<b>(977,129)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		816,286	-	816,286	1,793,415
<b>Total funds carried forward</b>		<b>(234,926)</b>	<b>-</b>	<b>(234,926)</b>	<b>816,286</b>

The notes on pages 22 to 35 form part of these financial statements.

**The Groundwork South Trust Limited**  
**(A company limited by guarantee)**  
**Registered number: 01982077**

**Balance sheet**  
**As at 31 March 2017**

	Note	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Intangible assets	9		49,720		63,608
Tangible assets	10		1,189,405		1,237,916
			<u>1,239,125</u>		<u>1,301,524</u>
<b>Current assets</b>					
Debtors	11	1,015,656		1,048,438	
Cash at bank and in hand		85,136		119,868	
		<u>1,100,792</u>		<u>1,168,306</u>	
<b>Creditors: amounts falling due within one year</b>	12	(2,260,009)		(1,629,821)	
<b>Net current liabilities</b>			<u>(1,159,217)</u>		<u>(461,515)</u>
<b>Total assets less current liabilities</b>			<u>79,908</u>		<u>840,009</u>
<b>Creditors: amounts falling due after more than one year</b>	13		(314,834)		(23,723)
<b>Net (liabilities)/assets</b>			<u>(234,926)</u>		<u>816,286</u>
<b>Charity Funds</b>					
Unrestricted funds	14		(234,926)		816,286
<b>Total (deficit)/funds</b>			<u>(234,926)</u>		<u>816,286</u>

The financial statements were approved and authorised for issue by the Trustees on 15 December 2017 and signed on their behalf, by:

  
**J A Bradley**

  
**R C Morley**

The notes on pages 22 to 35 form part of these financial statements.

**The Groundwork South Trust Limited**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**For the year ended 31 March 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	16	<u>(23,897)</u>	<u>(37,246)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		88	.261
Purchase of tangible fixed assets		<u>(10,923)</u>	<u>(132,902)</u>
<b>Net cash used in investing activities</b>		<u>(10,835)</u>	<u>(132,641)</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		-	(22,659)
<b>Net cash used in financing activities</b>		<u>-</u>	<u>(22,659)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(34,732)</b>	<b>(192,546)</b>
Cash and cash equivalents brought forward		<u>119,868</u>	<u>312,414</u>
<b>Cash and cash equivalents carried forward</b>	17	<u><b>85,136</b></u>	<u><b>119,868</b></u>

The notes on pages 22 to 35 form part of these financial statements.

**The Groundwork South Trust Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 March 2017**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Groundwork South Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.2 Legal form**

The company is limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**1.3 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**1.4 Income**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.



**The Groundwork South Trust Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 March 2017**

**1. Accounting policies (continued)**

**1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management costs.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**1.6. Going concern**

The financial statements have been prepared on a going concern basis. This follows the agreement that is in place with Groundwork London for the provision of financial support. This financial support is expected to reduce once the new projects initiated in the year start to generate incoming resources.

**1.7 Intangible fixed assets and amortisation**

Amortisation is provided at the following rates:

Software	- 20% straight line
----------	---------------------

**1.8 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2% straight line
Floating classroom superstructure-	50 years
Floating classroom fixtures and fittings	- 25 years
Motor vehicles	- 20% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 20% straight line

**The Groundwork South Trust Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 March 2017**

**1. Accounting policies (continued)**

**1.9 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**1.10 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.11 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.12 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.13 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.14 Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.15 Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.16 Pensions**

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

**The Groundwork South Trust Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 March 2017**

**2. Significant judgments and estimates**

In the application of the charitable company's accounting policies, which are described in note 1, the trustees are required to make judgemental, estimates and assumptions on accrued and deferred income. Actual results may differ from their estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

**3. Income from donations and legacies**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	822	5,546	6,368	48,305
<i>Total 2016</i>	<i>922</i>	<i>47,383</i>	<i>48,305</i>	

**4. Income from charitable activities**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Grant income	16,546	5,973,705	5,990,251	5,623,868
<i>Total 2016</i>	<i>26,000</i>	<i>5,597,868</i>	<i>5,623,868</i>	

**Grant income**

	2017 £	2016 £
Central Government	274,648	618,847
Local authority	1,581,168	1,854,984
Lottery	485,575	335,261
Private	3,648,860	2,814,776
<b>Total</b>	<b>5,990,251</b>	<b>5,623,868</b>

Included within income from local authority are the following core grants:

	2017 £	2016 £
London Borough of Hillingdon	11,000	26,000

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**5. Investment income**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted funds 2017 £</b>	<b>Total funds 2017 £</b>	<b>Total funds 2016 £</b>
Investment income	88	-	88	261
<i>Total 2016</i>	261	-	261	

**6. Other incoming resources**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted funds 2017 £</b>	<b>Total funds 2017 £</b>	<b>Total funds 2016 £</b>
Other project income	5,460	-	5,460	402
	5,460	-	5,460	402
<i>Total 2016</i>	402	-	402	

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**Total resources expended**

	<b>Greener living and working £</b>	<b>Youth &amp; employment £</b>	<b>Parks and open spaces £</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Charitable activities</b>					
Staff costs	1,759,848	1,112,103	703,880	3,575,831	3,293,235
Project costs	989,688	596,136	1,079,519	2,665,343	2,267,742
Transport and travel	47,059	29,111	12,087	88,257	110,227
<b>Sub total</b>	<b>2,796,595</b>	<b>1,737,350</b>	<b>1,795,486</b>	<b>6,329,431</b>	<b>5,671,204</b>
<b>Support costs</b>					
Staff costs	194,623	120,391	49,986	365,000	651,436
Temporary staff and consultants	1,809	1,120	465	3,394	8,076
Administration	39,857	24,655	10,237	74,749	101,782
Communication and IT	26,273	16,252	6,748	49,273	61,514
Accommodation	3,192	1,975	820	5,987	6,176
Recruitment and training	2,998	1,855	770	5,623	9,329
Marketing	5,324	3,294	1,368	9,986	30,270
Audit fees	7,745	4,792	1,990	14,527	13,500
Professional fees	6,068	3,754	1,558	11,380	18,344
Depreciation and amortisation	39,096	24,184	10,041	73,321	63,048
Other	59,031	36,516	15,161	110,708	15,286
<b>Sub total</b>	<b>386,016</b>	<b>238,788</b>	<b>99,144</b>	<b>723,948</b>	<b>978,761</b>
<b>Total</b>	<b>3,182,611</b>	<b>1,976,138</b>	<b>1,894,630</b>	<b>7,053,379</b>	<b>6,649,965</b>

In 2016 the charity incurred the following costs:

**Charitable activities:**

Greener living and working - £2,135,759, Youth & employment - £1,635,912, Parks and open spaces - £1,899,533.

**Support costs:**

Greener living and working - £329,079, Youth & employment - £244,302, Parks and open spaces - £405,380.

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**For the year ended 31 March 2017**

**7. Net (incoming resources)/resources expended**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	59,434	57,214
Amortisation of intangible fixed assets	13,888	5,834
Auditor's remuneration	13,500	13,500
	<u>86,822</u>	<u>76,548</u>

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, 2 Trustees received reimbursement of expenses totalling £170 (2016 - 3 Trustees received reimbursement of expenses totalling £1,348).

**8. Staff costs**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	3,516,958	3,546,102
Social security costs	264,249	269,891
Other pension costs	156,021	126,831
	<u>3,937,228</u>	<u>3,942,824</u>

The average number of persons employed by the charity during the year was as follows:

2017 No.	2016 No.
193	186

Average headcount expressed as a full time equivalent:

2017 No.	2016 No.
114	120

The number of higher paid employees was:

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	0	1

Contributions totalling £7,348 (2016: £11,623) were made to defined contribution pension schemes on behalf of 1 (2016: 2) employee whose emoluments exceeded £60,000.

The key management personnel gross remuneration, which consisted of the executive management team and operations managers, in the year amounted to £350,077 (2016: £613,427) and pension contributions of £37,029 (2016: £38,286).

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**9. Intangible fixed assets**

	<b>Software £</b>
<b>Cost</b>	
At 1 April 2016 and 31 March 2017	<b>69,442</b>
<b>Amortisation</b>	
At 1 April 2016	<b>5,834</b>
Charge for the year	<b>13,888</b>
At 31 March 2017	<b>19,722</b>
<b>Carrying amount</b>	
At 31 March 2017	<b>49,720</b>
At 31 March 2016	<b>63,608</b>

**10. Tangible fixed assets**

	<b>Freehold property £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Floating classroom £</b>
<b>Cost</b>					
At 1 April 2016	<b>1,005,000</b>	<b>25,901</b>	<b>124,011</b>	<b>92,155</b>	<b>116,250</b>
Additions	<b>-</b>	<b>-</b>	<b>9,414</b>	<b>1,509</b>	<b>-</b>
At 31 March 2017	<b>1,005,000</b>	<b>25,901</b>	<b>133,425</b>	<b>93,664</b>	<b>116,250</b>
<b>Depreciation</b>					
At 1 April 2016	<b>13,300</b>	<b>12,820</b>	<b>37,449</b>	<b>38,582</b>	<b>23,250</b>
Charge for the year	<b>8,400</b>	<b>4,977</b>	<b>24,513</b>	<b>16,894</b>	<b>4,650</b>
At 31 March 2017	<b>21,700</b>	<b>17,797</b>	<b>61,962</b>	<b>55,476</b>	<b>27,900</b>
<b>Net book value</b>					
At 31 March 2017	<b>983,300</b>	<b>8,104</b>	<b>71,463</b>	<b>38,188</b>	<b>88,350</b>
At 31 March 2016	<b>991,700</b>	<b>13,081</b>	<b>86,562</b>	<b>53,573</b>	<b>93,000</b>

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**10. Tangible fixed assets (continued)**

	<b>Total £</b>
<b>Cost</b>	
At 1 April 2016	1,363,317
Additions	10,923
At 31 March 2017	<u>1,374,240</u>
<b>Depreciation</b>	
At 1 April 2016	125,401
Charge for the year	59,434
At 31 March 2017	<u>184,835</u>
<b>Net book value</b>	
At 31 March 2017	<u>1,189,405</u>
At 31 March 2016	<u>1,237,916</u>

**11. Debtors**

	<b>2017 £</b>	<b>2016 £</b>
Trade debtors	863,714	544,139
Other debtors	8,477	6,151
Prepayments and accrued income	143,465	498,148
	<u>1,015,656</u>	<u>1,048,438</u>

**12. Creditors: Amounts falling due within one year**

	<b>2017 £</b>	<b>2016 £</b>
Bank loans and overdrafts	28,632	-
Trade creditors	435,844	399,879
Other taxation and social security	291,509	221,635
Other creditors	66,993	47,679
Accruals and deferred income	1,437,031	960,628
	<u>2,260,009</u>	<u>1,629,821</u>



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**12. Creditors: Amounts falling due within one year (continued)**

	£
<b>Deferred income</b>	
Deferred income at 1 April 2016	677,088
Resources deferred during the year	1,201,471
Amounts released from previous years	(600,332)
	<u>1,278,227</u>
Deferred income at 31 March 2017	<u>1,278,227</u>

Deferred income relates to project income where cash has been received but no costs have been incurred, as projects have not started before the year end.

**13. Creditors: Amounts falling due after more than one year**

	2017 £	2016 £
Amounts owed to group undertakings	314,834	-
Bank loans	-	23,723
	<u>314,834</u>	<u>23,723</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2017 £	2016 £
Repayable by instalments	314,834	-

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**Notes to the financial statements**  
**For the year ended 31 March 2017**

**14. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2017 £
<b>Unrestricted funds</b>					
General Funds - all funds	816,286	22,916	(723,948)	(350,180)	(234,926)
<b>Restricted funds</b>					
Greener living and working	-	2,664,509	(2,796,595)	132,086	-
Youth and employment	-	1,607,436	(1,737,350)	129,914	-
Parks and open spaces	-	1,707,306	(1,795,486)	88,180	-
	-	5,979,251	(6,329,431)	350,180	-
<b>Total of funds</b>	<b>816,286</b>	<b>6,002,167</b>	<b>(7,053,379)</b>	<b>-</b>	<b>(234,926)</b>

**Statement of funds - prior year**

	Balance at 1 April 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2016 £
<b>Unrestricted funds</b>						
General Funds - all funds	1,793,415	27,585	(978,761)	(25,953)	-	816,286
	1,793,415	27,585	(978,761)	(25,953)	-	816,286
<b>Restricted funds</b>						
Greener living and working	-	1,898,045	(2,135,758)	237,713	-	-
Youth and employment	-	1,409,067	(1,635,913)	226,846	-	-
Parks and open spaces	-	2,338,139	(1,899,533)	(438,606)	-	-
	-	5,645,251	(5,671,204)	25,953	-	-
<b>Total of funds</b>	<b>1,793,415</b>	<b>5,672,836</b>	<b>(6,649,965)</b>	<b>-</b>	<b>-</b>	<b>816,286</b>

**Restricted Funds:**

Greener Living & Working - to help people save energy, water, money and reduce their impact on the environment.

Youth & Employment - to support Young People to develop their skills and find jobs. To provide employment and to support offenders, ex-offenders and those likely to offend.

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**For the year ended 31 March 2017**

**14. Statement of funds (continued)**

Parks and Open Spaces - to protect and improve parks and open spaces for the benefit of local communities.

**Transfer between funds:**

During the year a transfer from unrestricted funds to restricted funds of £350,180 (2016: £25,953) to meet the shortfall in project expenses.

**Summary of funds - current year**

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2017 £
General funds	816,286	22,916	(723,948)	(350,180)	(234,926)
Restricted funds	-	5,979,251	(6,329,431)	350,180	-
	<u>816,286</u>	<u>6,002,167</u>	<u>(7,053,379)</u>	<u>-</u>	<u>(234,926)</u>

**Summary of funds - prior year**

	Balance at 1 April 2015 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2016 £
General funds	1,793,415	27,585	(978,761)	(25,953)	816,286
Restricted funds	-	5,645,251	(5,671,204)	25,953	-
	<u>1,793,415</u>	<u>5,672,836</u>	<u>(6,649,965)</u>	<u>-</u>	<u>816,286</u>

**15. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Intangible fixed assets	49,720	-	49,720
Tangible fixed assets	1,189,405	-	1,189,405
Current assets	1,100,792	-	1,100,792
Creditors due within one year	(2,260,009)	-	(2,260,009)
Creditors due in more than one year	(314,834)	-	(314,834)
	<u>(234,926)</u>	<u>-</u>	<u>(234,926)</u>

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**15. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2016 £</i>	<i>Restricted funds 2016 £</i>	<i>Total funds 2016 £</i>
Intangible fixed assets	63,608	-	63,608
Tangible fixed assets	1,237,916	-	1,237,916
Current assets	1,168,306	-	1,168,306
Creditors due within one year	(1,629,821)	-	(1,629,821)
Creditors due in more than one year	(23,723)	-	(23,723)
	<u>816,286</u>	<u>-</u>	<u>816,286</u>

**16. Reconciliation of net movement in funds to net cash flow from operating activities**

	<i>2017 £</i>	<i>2016 £</i>
Net expenditure for the year (as per Statement of Financial Activities)	(1,051,212)	(977,129)
<b>Adjustment for:</b>		
Depreciation charges	73,322	63,048
Dividends, interest and rents from investments	(88)	(261)
	<u>32,782</u>	<u>957,410</u>
Increase/(decrease) in creditors	921,299	(80,314)
<b>Net cash used in operating activities</b>	<u>(23,897)</u>	<u>(37,246)</u>

**17. Analysis of cash and cash equivalents**

	<i>2017 £</i>	<i>2016 £</i>
Cash in hand	85,136	119,868
<b>Total</b>	<u>85,136</u>	<u>119,868</u>

**18. Pension commitments**

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £144,204 (2016: £117,005). Contributions totalling £10,822 (2016: £16,708) were payable to the fund at the balance sheet date and are included in creditors.

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**19. Operating lease commitments**

At 31 March 2017 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	143,045	117,970
Between 1 and 5 years	294,320	354,634
After more than 5 years	236,000	304,750
	<hr/>	<hr/>
Total	673,365	777,354
	<hr/>	<hr/>

**20. Related party transactions**

Trustee expense reimbursements are detailed in note 7.

During the year, Groundwork London provided funds totalling £314,834 (2016: £Nil) to the charity, of which £Nil (2016: £Nil) was repaid during the year. At the year end, £314,834 (2016: £Nil) was due to Groundwork London. Interest is charged at 2.85% above the Bank of England base rate, monthly in arrears. The freehold property of the charity has been pledged as security on these funds.

**21. Ultimate parent undertaking and controlling party**

The Charity's ultimate parent undertaking is Groundwork London. The charity is controlled by its Trustees.