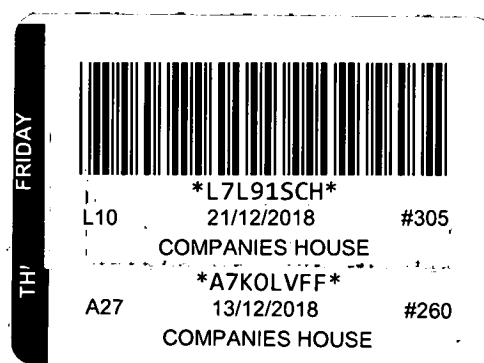


Annual Report and Financial Statements 2017/18



The Groundwork South Trust Limited

(A company limited by guarantee)

Registered Charity No. 293705

Registered Company No. 01982077 (England and Wales)

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Report of the Trustees for the year ending 31 March 2018

The trustees are pleased to present their annual directors report together with the financial statements of the charitable company for the year ending 31 March 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Groundwork South's operational area is the South East and South West regions of England, and that part of the District of Three Rivers within the Colne Valley Regional Park.

Chairman and Executive Directors Introduction

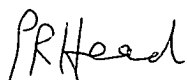
We are pleased to present Groundwork South's Annual Report and Accounts for the year ending March 2017. Groundwork South had a successful year in terms of delivering outcomes to local communities across the south of England. We have maintained our core activities of supporting and developing young people, increasing their likelihood of employment; improving, protecting and developing green spaces for all communities to enjoy and continuing our work on environmental sustainability. In this work we must pay credit to our partners and funders for supporting this work and our dedicated staff team who deliver the projects with passion and commitment.

Groundwork South has experienced a difficult period in its history, making large deficits over the preceding two years. However, the changes we implemented since 2016/17 have been successful and the deficit has reduced greatly and the Trust was very close to breaking even this year. With support from Groundwork London (our sole company member) we have worked on the efficiency of our operations, underpinned our cashflow via loans and are able to offer new specialist services. This provides us with a solid platform to reach more communities in different ways across the full span of Groundwork activities.

We continue to work closely with the rest of the Federation and, in collaboration, deliver a number of national programmes of work – the Tesco Bags of Help programme was particularly successful in 2017/18 with Groundwork South delivering 25% of the programme, around 2,500 community green space projects improved!

We look forward to the coming years with a growing sense of confidence that we will continue to deliver a positive impact to local communities. A summary of our plans and activities is given in this report and this demonstrates the breadth and impact of our work. In this context we have maintained our external accreditations, evidencing that the work we carry out is high quality and sustainable.

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.



Chairman
Peter Head

Executive Director
Gary Jacobs

About Groundwork

Vision

Our vision is of a society of sustainable communities which are vibrant, healthy and safe, which respect the local and global environment and where individuals and enterprise prosper.

Mission

Our mission is to transform lives and places in communities in the South-East and South-West of England.

Our core values are:

- **Empathy** - valuing differences and treating everybody with respect
- **Innovation** - always looking for new and better ways of working
- **Professionalism** - maintaining high personal and professional standards
- **Commitment** – dedicating time and energy to deliver quality projects and services
- **Passion** – having ambition, enthusiasm and pride in all that we do and achieve

Our Aim

We aim to be an outstanding deliverer of local environmental and community regeneration in areas of need. Our work will result in:

- better local environments for the benefit of local communities
- environments more resilient and adapted to changes in climate and increasing demands of a growing population
- people more empowered to engage in local decision-making and voluntary action to improve local communities
- young people and long term unemployed motivated to engage in education or training, and taking up opportunities to develop their confidence and skills leading to employment.
- more people and businesses helping the environment and saving money through cutting energy and water use and creating less waste

To achieve our vision we are working together with individuals, communities, Local Authorities and other public sector organisations, regional bodies and the private sector.

Objectives and Activities

Charitable Objectives

Groundwork South's charitable objectives are set down in the 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 that part of the District of Three Rivers within the Colne Valley Regional Park ("the Beneficial Area").
- to provide facilities in the interest 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 alone 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

Strategic Objectives

Our charitable objectives were delivered through our three overarching themes:

- **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.

The Strategic Report later in this document provides detailed activities in each of these areas.

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

Public Benefit Statement

All Groundwork South's activities contribute to the achievement of our strategic aims & objectives and are undertaken to further our charitable purposes for the public benefit. Our main activities and who we try to help are described below. We review our aims, objectives and activities each year in the Business Planning process. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are established to help. The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Grant Making Policy

The Trust administers applications for various grant schemes on behalf of partnerships with local authorities and other Public Agencies. The Applications are reviewed against specific criteria and business objectives, which are set out by the grants panels and awarded to constituted groups.

Strategic Report

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 a charity shop), education and environment centres and are listed below:

- Lockleaze Youth & Community Centre, Bristol
- Goblin Combe Environment Centre, Cleeve, North Somerset
- Saltmill Park, Saltash, Cornwall
- Energy Youth Centre, Eastleigh, Hampshire
- Velmore Community Café, Chandlers Ford, Hampshire
- Netley Community Café, Netley, Hampshire
- Braywick Environmental and Conservation Centre, Maidenhead, Berkshire
- Tilgate Walled Garden, Crawley, East Sussex
- 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

Our Achievements and Performance

Greener Living & Working

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 to deliver the Field Based Customer Engagement programme for **Thames Water**. We delivered in excess of 15,000 visits to households in the Oxford and Newbury areas. Our Green Doctors were also in action to help **Hastoe Housing Association** residents in several locations across the south of England and **MHS** residents in **Medway** whom we visited to provide advice on energy efficiency which will also help them save money. Linked to the Green Doctor programmes, we also delivered a series of advice workshops front line workers dealing with vulnerable workers as well as members of the public.

In 2017/18 we continued the project management of the **Heston West BIG Local**, in west London working with the **Heston West Community Partnership (HWCP)** and **BIG for Littlemore in Littlemore, Weymouth**. Both programmes are lottery funded projects that are working with local residents and stakeholders, over the next ten years, to enable the local community to make decisions on and implement improvements, to their areas.

January 2018 saw the completion of the first phase of an exciting programme called Communities Prepared. This programme is funded by the National Lottery and is aimed at providing information, training and tools for communities at risk of flooding. This phase lasted for two years and involved Groundwork South working with the Environment Agency and the Cornwall Community Flood Forum to devise a 'toolkit' for locally recruited volunteer flood wardens. The programme was very successful to the extent that the Lottery have funded a second phase which will see us engaging communities throughout England.

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 **Slough**, we continued to manage the council's bike hire scheme providing bikes for hire as well as storage for individuals to store their own bikes at Slough station. The scheme helps people use bikes, replacing car travel and enjoying the benefits of cycling as an affordable means of transport. As well as personal health benefits, cycling also has a positive effect on the environment too reducing waste, congestion, air pollution and CO2 emissions.

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.

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.

The **Iwer Environment Centre**, sponsored by **National Grid**, enables school children to visit 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 around 3,000 children through the year. 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.

We also completed the first full year operation of the 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.

Youth & Employment

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 2017/18 we completed the fourth consecutive twelve month apprenticeship programme for 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**. The Community Café goes from strength to strength with turnover and footfall continuing to rise offering training and employment opportunities to local residents.

In 2017/18 we continued 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 continued our delivery in **Sussex**, to work with young people on a voluntary personal and social development programme for 15–17 year olds. This programme is funded by government and one of the key activities is for the young people to develop a social action project for their local area, providing real experience of intervention to improve peoples' lives.

Parks & Open Spaces

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.

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 2017/18 we applied to the Heritage Lottery Fund for a grant to bring the cherished landscape of the **Colne Valley** back from the brink of irreversible decline. This programme was approved in summer 2018 and work will start this year on a programme of £2.5m of investment throughout the park over the next three years.

In a similar manner we have also been engaged to support the **Combe Valley Park**, near Hastings. This park has been established through the local councils securing funding from developers and Groundwork South securing funding and support from private sources. We have created a visitor centre in the park and over the coming years will improve signage and paths to open up the park to local communities and visitors.

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

In 2017/18 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 of 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.

Quality Management & Accreditations

In 2017/18 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.

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 these accreditations which are subject to external verification.

Our **Health and Safety** system adopts a tiered system. The first tier is the Health & Safety policy which addresses the company's responsibilities under the Health & Safety at Work Act, 1974; sets out the Health and Safety strategy and assigns responsibilities at a senior level. The second tier is specific to operational activities and assigns responsibilities to managers, team leaders and supervisors as well as establishing a H&S management system. The third tier signposts staff towards practical guidance around specific activities (e.g. CDM regulations, First Aid, Fire Precautions etc.). This ensures our safety management system complies with OHAS 18001.

Environmental quality is at the heart of all our activities, 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. The system is designed to ensure: compliance with any relevant environmental legislation; awareness of the organisations 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.

Groundwork South Financial Review

Groundwork South shows income achieved in the year of £6.694m with expenditure of £6.765m, resulting in a deficit for the year of £71k. This has been a significant achievement given the two previous years' performance which recorded losses of over £1m in each of the financial years. The Trust has improved its financial position by taking difficult decisions to: close loss making operations; reduce overhead costs; and restructure operational and senior management structures.

The Trust has been able to manage its cash flow, meeting its obligations as they fall due via 3 separate loan facilities provided by Groundwork London and closer monitoring and management of its cashflow position. In addition, a full cost recovery financial model has been adopted, which enables the Trust to allocate costs appropriately; to prepare financially sound grant and funding applications and clearly monitor projects that are underachieving or are meeting their targets.

How we raised our money

Funding for Groundwork South was provided by the following sources:

	£
Local Authorities	424,880
Public and Regional Agencies	2,434,955
Landfill tax and other	133,610
Private Sector	3,026,262
National Lottery	673,880
	<u>6,693,587</u>

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:

	£
Greener Living & Working	4,549,926
Youth & Employment	977,916
Parks & Open Spaces	1,236,764
	<u>6,764,606</u>

Reserves Policy

The Board recognises the need to build up unrestricted reserves 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
- 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
- absorb short term setbacks such as loss or delays in funding
- set aside funds for other appropriate capital assets such as IT equipment and for properly equipping the Trust
- Invest in the development of new services and training & development of staff

The first step towards securing unrestricted reserves is in the adoption of the new financial strategy and full cost recovery model. The Board also recognises that it will take time to implement the changes and the business planning process will to work towards a 'break even' position over the next two years.

Future Plans 2018/19

In line with the Groundwork Federation strategy: Groundwork 2020, we will deliver Groundwork Services across the South East and South West of England. We have reviewed our delivery and have aligned our work to the Federations thematic areas. During 2018/19 we will progress 100 projects which will meet our two strategic objectives:

1. Creating and delivering programmes and projects across three thematic areas

Improving people's prospects – *delivering support to increase the confidence, skills, wellbeing and employability of those furthest removed from the labour market, in particular young people.*

We will deliver projects that engage, motivate and inspire people:

- Providing coaching and support to young people particularly those at risk of NEET or NEET to stay and succeed in education, to gain accredited qualifications or to progress into work
- Running clubs and safe places for young people to develop themselves and their skills
- Encouraging and supporting participation and leadership of positive action for the environment
- Helping disadvantaged young people and adults, improve their skills and confidence and move from welfare into sustained employment
- Providing work placements and trials, with integrated training and access to volunteering placements
- Delivering accredited training and skills development programmes

Creating better places – *supporting people to work collectively to make their surroundings greener, safer and healthier and be actively involved in the way decisions are made about services in their area. We will develop and deliver programmes that focus on:*

- Building empowered, engaged and resilient communities
- Supporting community led improvements to spaces and neighbourhood environments
- Engaging communities in the effective management and maintenance of green and open spaces
- Enhancing communities' and individuals' health and wellbeing
- Lifelong learning and citizenship within an educational environment
- Promoting and conserving the natural environment and enhancing access to nature and heritage
- Building resilience, confidence and wellbeing in vulnerable adults, the elderly & young people
- Inspiring and promoting volunteering including youth citizenship and employee engagement

We will continue to enhance urban and rural environments to ensure that they meet the needs of local communities. We will focus on:

- Improving parks and open spaces, play and active spaces; retrofitting green infrastructure for flood risk management and in support of climate change adaptation; biodiversity
- Managing open grant schemes including Heathrow Community Fund and providing grant 'enabler' support for community groups bidding to Tesco's 'Bag of Help' Community Grant Scheme, and on the new HS2 grant programmes managed by Groundwork UK

Promoting greener living and working – *helping people and businesses learn more about their environmental impact and act responsibly to reduce natural resource use and improve their health. We will deliver programmes which focus on:*

- Behaviour change, helping people adopt more sustainable lifestyles
- Tackling climate change and other environmental issues
- Encouraging and supporting young people to participate in positive environmental action
- Running our Charity shop, recycling and reusing household goods and clothing
- Providing tailored packages of advice and guidance on energy and water efficiency to residents and businesses
- Providing opportunities for the corporate sector to engage with local communities by volunteering
- Creating opportunities for social and community enterprise development

2. Maintaining a strong, viable business, achieving excellence in service delivery

The performance of our business will be driven by increasing the quality, consistency and efficiency of our operations; by innovation and development of our services; by securing income from diverse sources; and by building long-term local and strategic partnerships and relationships.

We will:

- Improve the effectiveness and efficiency of our operations by managing our finances on a full cost recovery basis
- Focus our fundraising efforts to build strong operational centres across the South
- Measure the quality of our delivery and the impact we make
- Foster a culture to attract, develop and retain highly skilled and motivated staff
- Deliver communications to raise the profile of the organisation and our services
- Build long-term, local and regional strategic partnerships

We will work with Groundwork London to sustain and develop Groundwork activity across the South of England. We will do this through Groundwork London providing executive leadership and management of defined specialist activities.

Principal Risks and Uncertainties

The Board accepts its responsibility under the Charity Commission's Statement of Recommended Practice (SORP) for ensuring the major risks to which the charity is exposed are identified and reviewed and that there are systems in place to mitigate against them.

The risk management analysis continues to be an integral part of the business planning and business review and reporting process. The Trust maintains a comprehensive risk register in which all risks are evaluated and graded. Each risk is allocated both an Impact and Probability rating to provide an overall risk score. The Board reviews the most significant risks quarterly.

The principal risks to Groundwork South are:

- Failure to secure funding for the projected Operations Plans
- Failure to achieve our full cost recovery strategy missing utilisation targets and chargeable rates
- Failure to deliver targets in 'payment by results' contracts
- Poor performance and partner dissatisfaction with the quality of delivery
- Failure to ensure adequate financial and operational processes to manage and control project finances
- Operational, reputational and financial issues from historical losses

Whilst our response to each of these will vary, there are some common features that help us address these risks:

- Effective coordination and targeting of fundraising and development to expand and diversify our offer in key geographic areas
- Raising our profile and developing targeted marketing to key audiences to increase use of our outdoor centres and hubs
- Increase understanding of full cost recovery across development, management and delivery teams
- Effective evaluation and monitoring of delivery, output and financial performance
- Effective implementation of internal processes and procedures
- Implementation of new delivery models, adaptation of structures and discontinuing unviable activities alongside investing in specialist skills
- Continued emphasis on driving up the quality of our services and demonstrating their value and benefits

Financial management of projects is undertaken through Enqueueur and via project budget sheets. The amount of secured and unsecured income and the expenditure and revenue on all projects is analysed on a monthly basis.

Performance against the plan will be reviewed by the Senior Management Team monthly and by the Board quarterly and adjustments will be made in year to income and expenditure budgets accordingly. The Trust is working with Groundwork London on a new Project Management System which will be integrated with Financial Accounting, it is planned for this system to be in place by 2019.

In addition to reviewing the risk register, quarterly reports to the Board monitor income & expenditure and progress towards financial targets. Detailed management accounts are examined at each meeting. The Trust submits these accounts to Groundwork Federation on a quarterly basis and is monitored on security of income and financial stability.

Reference and Administrative Details

Registered Company number
01982077 (England and Wales)

Registered Charity number
293705

Registered office of the company and principal office of the charity

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

Our advisers

Independent Auditors

Kreston Reeves LLP

Chartered Accountants
Statutory Auditor
Third Floor
24 Chiswell Street
London, EC1 4YX

Bankers

HSBC

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

Solicitors

IBB

Capital Court
30 Windsor Street
Uxbridge
Middlesex, UB8 1AB

Key management personnel: Directors and Trustees

The directors of the charity are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Trustees

JA Bradley, Chair
RC Morley
G Beal
D Davidson
C Newness-Smith
P Head

resigned 3 May 2018
resigned 3 May 2018
resigned 3 May 2018
appointed 14 March 2018
appointed 14 March 2018
appointed 4 September 2018

Company Secretary

RM Holland (resigned 16 June 2017)
C Woodcock (appointed 16 June 2017, resigned 3 May 2018)
S Harrison (appointed 3 May 2018)

Key management personnel:

Chief Executive Officer
Lou Kizwini (resigned 31 July 2017)
Gary Jacobs (appointed 1 August 2017)
Lindy Kelly (appointed 3 May 2018)

Structure, Governance and Management

Structure

Groundwork South is a registered charity and company limited by guarantee and is governed by its Memorandum of Association amended on the 30 November 2005.

Groundwork South is a member of the Federation of Groundwork Trusts in England, Wales and Northern Ireland, each working with partners to improve the quality of the local environment, the lives of local people and the success of local businesses in areas in need of investment and support. The Federation Membership Agreement is a bilateral agreement jointly signed by both the Trust and the Federation, setting out the obligations, defining the minimum quality and ethical standards, setting out the core values and defining the circumstances and procedures whereby Trusts may be required to leave the Federation.

The Members of the Groundwork South Trust

Groundwork South is a wholly owned subsidiary of Groundwork London.

Governance

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 currently comprises of 3 Trustee. Any new Trustees will be invited for interview by the Board to assess their skills and experience prior to appointment.

Induction & Training

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.

Management

The Board delegates day-to-day financial and managerial control of the organisation to the Executive Director who reports to the Chair of the Board. The Executive Director executes their duties with the support of senior managers.

Chief Executive Officer

Managing Director - Lou Kizwini – Resigned 31st July 2017

Executive Director - Gary Jacobs – Appointed 1st August 2017

Executive Director – Lindy Kelly – Appointed 3rd May 2018

The Senior Management Team (SMT) is comprised of the following members:

Stuart Harrison	Finance Director
James Faires	Operational Delivery Manager
Becky Spake	Operational Delivery Manager
Kevin Jackson	Service Lead Oxfordshire Outdoors
Claire Woodcock	Central Services Manager
Alex Snelling-Day	Senior Contract Development Manager

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

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.

Trustees' responsibilities in relation to the financial statements

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

Company law requires the charity Trustees to prepare financial statements for each year which 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 for that period. In preparing the 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

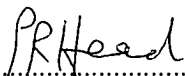
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charitable company's auditor is unaware, and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees



Trustee

PETER HEAD

Date: 17th September 2018

Report of the Independent Auditors

To the members of The Groundwork South Trust

Opinion

We have audited the financial statements of The Groundwork South Trust Limited (the 'charity') for the year ended 31 March 2018 set out on pages 22 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2018 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.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' report.

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

- adequate 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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, 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.

Auditors' 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 Auditors' 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the entity's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).

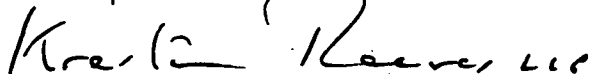
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

For listed entities and public interest entities, we also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, including the FRC's Ethical Standard, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Where we are required to report on key audit matters, from the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 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 opinions we have formed.



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

Date: 17 Sep 2018

The Groundwork South Trust Limited

(A company limited by guarantee)

Registered Number: 01982077

Statement of Financial Activities for the year ended 31st March 2018

		Unrestricted Funds £	Restricted Funds £	31.3.18 Total Funds £	31.3.17 Total Funds £
	Notes				
INCOME					
Donations and legacies	3	10	872	882	6,368
Charitable activities	4	729,863	5,955,858	6,685,721	5,990,251
Investments	5	65	-	65	88
Other income	6	6,919	-	6,919	5,460
Total Income		736,857	5,956,730	6,693,587	6,002,167
EXPENDITURE					
Charitable activities	7	618,805	6,145,801	6,764,606	7,053,379
Total expenditure		618,805	6,145,801	6,764,606	7,053,379
Net income before transfers		118,052	(189,071)	(71,019)	(1,051,212)
Transfers between funds	15	(189,071)	189,071	-	-
Net expenditure before other recognised gains and losses		(71,019)	-	(71,019)	(1,051,212)
Net movement in funds		(71,019)	-	(71,019)	(1,051,212)
RECONCILIATION OF FUNDS					
Total funds brought forward		(234,926)	-	(234,926)	816,286
TOTAL FUNDS CARRIED FORWARD		(305,945)	-	(305,945)	(234,926)

The Statement of Financial Activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

The notes on pages 25 to 34 form part of these financial statements.

The Groundwork South Trust Limited

(A company limited by guarantee)

Registered Number: 01982077

Balance Sheet as at 31st March 2018

	Notes	31.3.18 £	31.3.17 £
FIXED ASSETS			
Intangible Assets	10	35,832	49,720
Tangible Assets	11	1,134,166	1,189,405
TOTAL FIXED ASSETS		1,169,998	1,239,125
CURRENT ASSETS			
Debtors	12	1,360,938	1,015,656
Cash at bank and in hand	18	249,630	85,136
TOTAL CURRENT ASSETS		1,610,568	1,100,792
LIABILITIES			
Creditors: amounts falling due within one year	13	(1,828,863)	(2,260,009)
NET CURRENT LIABILITIES		(218,295)	(1,159,217)
TOTAL ASSETS LESS CURRENT LIABILITIES		951,703	79,908
Creditors: Amounts falling due after more than one year	14	(1,257,648)	(314,834)
NET LIABILITIES		(305,945)	(234,926)
THE FUNDS OF THE CHARITY			
	15		
Unrestricted funds		(305,945)	(234,926)
TOTAL CHARITY FUNDS		(305,945)	(234,926)

The financial statements were approved by the Board of Trustees on 17th September 2018 and were signed on its behalf by:

PR Head

Trustee
PETER HEAD

The notes on pages 25 to 34 form part of these financial statements

The Groundwork South Trust Limited

(A company limited by guarantee)

Registered Number: 01982077

Cashflow statement for the year ended 31st March 2018

	Notes	31.3.18 £	31.3.17 £
Cash flows from operating activities	17	164,429	(23,897)
Cash flow from investing activities			
Investment income received		65	88
Purchase of tangible fixed assets		-	(10,923)
Net cash used in investing activities		65	(10,835)
Net Increase/(decrease) in cash and cash equivalents		164,494	(34,732)
Cash and cash equivalents at the beginning of the year		85,136	119,868
Cash and cash equivalents at the end of the year		249,630	85,136

The notes on pages 25 to 34 form part of these financial statements

The Groundwork South Trust Limited

(A company limited by guarantee)

Registered Number: 01982077

Notes to the financial statements for the year ended 31st March 2018

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 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 note(s).

1.2 Legal Form

The company is limited by guarantee. The member of the company is Groundwork London. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1.

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.

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.

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
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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

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.

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	Restricted funds	31.3.18	31.3.17
	£	£	£	£
Donations	10	872	882	6,368
	<u>10</u>	<u>872</u>	<u>882</u>	<u>6,368</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.3.18 £	31.3.17 £
Grant income	<u>729,863</u>	<u>5,955,858</u>	<u>6,685,721</u>	<u>5,990,251</u>
Total 2017	<u>16,546</u>	<u>5,973,705</u>	<u>5,990,251</u>	

	31.3.18 £	31.3.17 £
Grant income		
Central Government	424,880	274,648
Local Authority	2,434,955	1,581,168
Lottery	673,879	485,575
Private	3,152,007	3,648,860
	<u>6,685,721</u>	<u>5,990,251</u>

Included within income from Local Authority are the following core grants:

	31.3.18 £	31.3.17 £
London Borough of Hillingdon	<u>-</u>	<u>11,000</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.3.18 £	31.3.17 £
Bank interest	<u>65</u>	<u>-</u>	<u>65</u>	<u>88</u>
Total 2017	<u>88</u>	<u>-</u>	<u>88</u>	

6. OTHER INCOMING RESOURCES

	Unrestricted funds £	Restricted funds £	31.3.18 £	31.3.17 £
Other project income	<u>6,919</u>	<u>-</u>	<u>6,919</u>	<u>5,460</u>
Total 2017	<u>5,460</u>	<u>-</u>	<u>5,460</u>	

7. Total resources expended

	Greener living and working £	Youth and employment £	Parks and open spaces £	31.3.18 £	31.3.17 £
Charitable activities					
Staff costs	2,124,019	516,264	546,144	3,186,427	3,575,831
Project costs	2,007,235	388,179	563,960	2,959,374	2,753,600
Sub total	4,131,254	904,443	1,110,104	6,145,801	6,329,431
Support costs					
Staff costs	230,637	40,474	69,773	340,884	368,394
Administration	66,275	11,631	20,050	97,956	74,749
Communications and IT	36,890	6,474	11,160	54,524	49,273
Accommodation	6,870	1,206	2,078	10,154	5,987
Recruitment and training	1,985	348	601	2,934	5,623
Marketing	2,183	383	661	3,227	9,986
Audit fees	9,289	1,630	2,810	13,729	14,527
Professional fees	8,057	1,414	2,438	11,909	11,380
Depreciation and amortisation	22,268	3,908	6,737	32,913	73,321
Other	34,218	6,005	10,352	50,575	110,708
Sub total	418,672	73,473	126,660	618,805	723,948
Total	4,549,926	977,916	1,236,764	6,764,606	7,053,379
Charitable activities	2,796,595	1,737,350	1,795,486	6,329,431	
Support costs	386,016	238,788	99,144	723,948	
Total 2017	3,182,611	1,976,138	1,894,630	7,053,379	

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging

	31.3.18 £	31.3.17 £
Auditors' remuneration	13,729	14,527
Depreciation – owned assets	55,239	59,434
Amortisation of intangible fixed assets	13,888	13,888

During the year no Trustees received any remuneration (2017 - £NIL)

During the year no Trustees received any benefits in kind (2017 - £NIL)

During the year no Trustees received any reimbursement for expenses (2017 - £170)

9. STAFF COSTS

Staff costs were as follows

	31.3.18 £	31.3.17 £
Wages and salaries	3,261,476	3,516,958
Social security costs	269,709	264,249
Pension costs	238,625	156,021
	<u>3,769,810</u>	<u>3,937,228</u>

The average number of employees during the year was as follows:	31.3.18 128	31.3.17 129
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Average headcount expressed as a full time equivalent	31.3.18 110	31.3.17 110
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Number of employees whose emoluments (excluding pension contributions) exceeded £60,000 in the year:

	31.3.18	31.3.17
£60,000 - £69,999	1	1
£70,000 - £79,999	-	1
£80,000 - £89,999	-	-
£90,000 - £99,999	-	-
	<u>1</u>	<u>2</u>

9. STAFF COSTS (continued)

Contributions totalling £8,773 (2017: £7,348) were made to defined contribution pension schemes on behalf of 1 (2017: 2) employees whose emoluments exceeded £60,000

The key management personnel gross remuneration, which consisted of the executive management team and operations managers amounted to £282,918 in the year (2017: £350,077) and pension contributions of £29,679 (2017: £37,029).

10. INTANGIBLE FIXED ASSETS

Cost	Software £
At 1 April 2017	69,442
At 31 March 2018	<u>69,442</u>
Depreciation	
At 1 April 2017	19,722
Disposals	-
Charge for year	13,888
At 31 March 2018	<u>33,610</u>
Net Book Value	
At 31 March 2018	35,832
At 31 March 2017	<u>49,720</u>

11. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Floating Classroom £
COST					
At 1 st April 2017	1,005,000	25,901	133,425	93,664	116,250
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 st March 2018	<u>1,005,000</u>	<u>25,901</u>	<u>133,425</u>	<u>93,664</u>	<u>116,250</u>
DEPRECIATION					
At 1 st April 2017	21,700	17,797	61,962	55,476	27,900
Disposals	-	-	-	-	-
Charge for year	8,400	4,055	23,814	14,320	4,650
At 31 st March 2018	<u>30,100</u>	<u>21,852</u>	<u>85,776</u>	<u>69,796</u>	<u>32,550</u>
NET BOOK VALUE					
At 31 st March 2018	<u>974,900</u>	<u>4,049</u>	<u>47,649</u>	<u>23,868</u>	<u>83,700</u>
At 31 st March 2017	<u>983,300</u>	<u>8,104</u>	<u>71,463</u>	<u>38,188</u>	<u>88,350</u>

11. TANGIBLE FIXED ASSETS – (continued)

	Total Tangible Fixed Assets £
Cost	
At 1 April 2017	1,374,240
Additions	-
Disposals	-
At 31 March 2018	<u>1,374,240</u>
Depreciation	
At 1 April 2017	184,835
Disposals	-
Charge for year	55,239
At 31 March 2018	<u>240,074</u>
Net Book Value	
At 31 March 2018	<u>1,134,166</u>
At 31 March 2017	<u>1,189,405</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18 £	31.3.17 £
Trade debtors	793,719	863,714
Other debtors	3,920	8,477
Prepayments and accrued income	563,299	143,465
	<u>1,360,938</u>	<u>1,015,656</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18	31.3.17
	£	£
Bank loans and overdrafts	127,609	28,632
Trade creditors	405,042	435,844
Other taxation and social security	184,709	291,509
Other creditors	29,684	66,993
Accruals and deferred income	1,081,639	1,437,031
	<u>1,828,863</u>	<u>2,260,009</u>

Deferred income

	£
Deferred income at 1 April 2017	1,278,227
Resources deferred and released during the year	(282,428)
Deferred income at 31 March 2017	<u>995,799</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.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.18	31.3.17
	£	£
Amounts owed to group undertakings	1,257,648	314,834
	<u>1,257,648</u>	<u>314,834</u>

15. STATEMENT OF FUNDS

	Brought forward	Incoming Resources	Resources Expended	Transfers In / (Out)	Carried Forward
	£	£	£	£	£
Unrestricted Funds					
General funds	(234,926)	736,857	(618,805)	(189,071)	(305,945)
Restricted Funds					
Greener living and working	-	3,633,840	(4,131,254)	497,414	-
Youth and employment	-	931,353	(904,443)	(26,910)	-
Parks and open spaces	-	1,391,537	(1,110,104)	(281,433)	-
Total Restricted Funds	-	5,956,731	(6,145,801)	189,071	-
Total Funds	<u>(234,926)</u>	<u>6,693,587</u>	<u>(6,764,606)</u>	<u>-</u>	<u>(305,945)</u>

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.

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

15. STATEMENT OF FUNDS (continued)

Transfer between funds:

During the year a transfer from unrestricted funds to restricted funds of £189,071 (2016: £350,180) to meet the shortfall in project expenses.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	31.3.18 Unrestricted funds £	31.3.17 Unrestricted funds £
Intangible fixed assets	35,832	49,720
Tangible fixed assets	1,134,166	1,189,405
Current assets	1,610,568	1,100,792
Creditors due within one year	(1,828,863)	(2,260,009)
Creditors due in more than one year	(1,257,648)	(314,834)
Cash flows from operating activities	(305,945)	(234,926)

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.18 £	31.3.17 £
Net expenditure for the year (as per Statement of Financial Activities)	(71,019)	(1,051,212)
Adjustment for:		
Depreciation charges	69,127	73,322
Dividends, interest and rents from investments	(65)	(88)
Increase /Decrease in debtors	(345,282)	32,782
Increase/Decrease in creditors	511,668	921,299
Cash flows from operating activities	164,429	(23,897)

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.3.18 £	31.3.17 £
Cash in hand	249,630	85,136
	249,630	85,136

19. 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 to the fund amounted to £238,625 (2017: £156,021).

Contributions totalling £21,549 (2017: £10,822) were payable to the fund at the balance sheet date and are included in creditors.

20. OPERATING LEASE COMMITMENTS

	31.3.18 £	31.3.17 £
Amounts payable		
Within 1 year	159,097	187,045
Between 1 and 5 years	449,521	470,320
After more than 5 years	152,611	348,186

21. RELATED PARTY TRANSACTIONS

Trustee expense reimbursements are detailed in note 7.

During the year, Groundwork London provided funds totalling £1,693,956 (2017: £314,834) to the charity, of which £751,142 (2017: £Nil) was repaid during the year. At the year end, £1,257,648 (2016: £314,834) 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.

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

23. CAPITAL COMMITMENTS

As part of the conditions of a grant agreement between Groundwork South and the Football Foundation in respect of Saltmill Pitch in Cornwall Groundwork South is required to maintain the pitch to the FA standard. The pitch had its routine, three year inspection last August and, following some repairs, was awarded a further three years registration. Due to the age of the pitch it is unlikely to pass the next inspection (in 2020) and if that is the case we will be obliged to replace the surface of the pitch. Initial quotes and specialist review of the pitch replacement requirements indicate potential costs in the region of £150k. The Trust is actively fundraising for the cost to enable replacement works by 2020. A provision has not been made in the 2017/18 accounts as the liability is not due in this financial year.