

The Leeds Groundwork Trust

Annual Report and Consolidated Financial Statements Six Months to 31 March 2021

The Leeds Groundwork Trust
operating as Groundwork Leeds

Charity registration no. 518154
Company registration no. 2064992

Registered office
Environment & Business Centre
Merlyn Rees Avenue
Morley
Leeds LS27 9SL

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The Leeds Groundwork Trust
(A Company Limited by Guarantee)

Report of the Directors and

Consolidated Financial Statements for the 6 Month Period 1 October 2020 to 31 March 2021

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About Groundwork Leeds

On 1 January 2021, a merger between Groundwork Leeds, Groundwork Wakefield and Groundwork North Yorkshire was formally completed. Groundwork Yorkshire (Company Number 2202681, Charity Number 519846) covers the trading areas of the Leeds, North Yorkshire, South Yorkshire and Wakefield charitable Trusts and has been created to allow us to help as many people in our areas benefit from our unique and holistic approach to social and environmental regeneration.

This report covers the reporting period from 1 October 2020 to 31 March 2021, and as such spans the pre- and post-merger period.

Groundwork is a charity working locally and nationally to transform lives in the UK's most disadvantaged communities.

We're passionate about creating a future where every neighbourhood is vibrant and green, every community is strong and able to shape its own destiny and no-one is held back by their background or circumstances.

We help people gain confidence and skills, get into training and work, protect and improve green spaces, lead more active lives and overcome significant challenges such as poverty, isolation, low skills and poor health.

We operate within a federation, harnessing the passion, skills and experience of more than 1,000 employees and hundreds of volunteer trustees across the UK.

Chairman's Statement

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

Social and health inequality, poverty, and geographic disparity continue to have a negative impact on people's lives. As our economy and welfare system change, some people in some parts of the country remain marginalised and vulnerable – unable to connect with economic opportunity. From flooding to energy price rises, environmental issues are impacting disproportionately on those who have least protection. The Covid-19 pandemic has thrown these issues into sharp focus. Now, more than ever, it is vital that the work we do in our most disadvantaged communities continues.

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

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

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

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

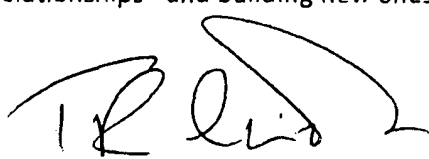
One thing our work over the last 35 years has taught us, however, is that within every community, however challenged, there are deep wells of pride and passion and a latent community spirit. As we have seen time and again over the last eighteen months this community spirit quickly comes to the fore in times of adversity.

Groundwork exists to unlock this power and potential within communities and to channel it into practical projects that help people improve their neighbourhoods, improve their own prospects and improve understanding of the need to live more sustainably.

The last year has seen Groundwork Leeds – like all parts of Groundwork – continuing on this journey of change without losing focus on its primary function – to develop and deliver programmes that bring benefits for communities now while helping them prepare better for the challenges that lie ahead.

I'd like to thank our staff and volunteers for their passion and creativity, our volunteer trustees who continue to give their time and talents to our organisation and all of the funders and partners who have helped us deliver so much impact in local communities in the last eighteen months. We look forward to renewing those relationships - and building new ones - in the year ahead.

Trevor Lincoln
Chairman



Date.....17/12/21.....

Trustees' Report

The trustees present their annual report, which includes the requirements of a directors' report under company law.

Governance

Registration numbers

Charity Registration Number: 2064992

Company Registration Number: 518154

Structure

Groundwork Leeds is the operating name of The Leeds Groundwork Trust, a charity and a company limited by guarantee. The governing documents are its Memorandum and Articles of Association, which were last amended by written resolution on 17 December 2003.

On 1 January 2021, a merger between Groundwork Leeds, Groundwork Wakefield and Groundwork North Yorkshire was formally completed. Groundwork Yorkshire (Company Number 2202681, Charity Number 519846) covers the trading areas of the Leeds, North Yorkshire, South Yorkshire and Wakefield charitable Trusts and has been created to allow us to help as many people in our areas benefit from our unique and holistic approach to social and environmental regeneration.

Also in the period under review, the Board of Groundwork South Yorkshire decided that its operations were too small to be sustainable, and transferred two of its services to Groundwork Wakefield (now Groundwork Yorkshire). We are now managing a Land Trust site in Barnsley, and run a Green Team out of South Yorkshire, who manage Barnsley Council's allotment provision, and undertake work on other sites.

Members

Membership of Groundwork Leeds comprises Leeds City Council and The Federation of Groundwork Trusts. A membership agreement sets out the roles, relationships and behaviours expected within the Federation and we operate to a single, common strategy, which is overseen by our Board of Trustees.

Board of Trustees

The Board of Trustees comprises the trustees of Groundwork Leeds in accordance with the Charities Act 2011, who are also the Directors of the company in accordance with the Companies Act 2006. In the period under review, we had four trustees nominated by Leeds City Council and 1 by the Federation of Groundwork Trusts. A number of independent trustees are co-opted by the Board to broaden its skills base or to benefit from specialist expertise.

Since the merger on 1 January 2021, Groundwork Leeds has two trustees, one nominated by each member, who are responsible for overseeing the orderly close down of the company.

We take our governance responsibilities very seriously, recognising the need to ensure as much of our resource as possible is expended on delivering our charitable mission while ensuring our organisation is strong, well-managed and financially viable in the long term.

New trustees are provided with an induction to the organisation which includes a specific focus on their role and responsibilities as a trustee.

Trustees are responsible for ensuring sound organisational systems, processes and policies are maintained and embedded in the way Groundwork Leeds is managed. This includes policies governing our

responsibilities to our staff, volunteers and beneficiaries. We pay particular attention to issues of Health & Safety, Safeguarding and Information Security and maintain comprehensive business continuity arrangements. We undertake skills audits of our Board to ensure we have access to the expertise needed to run our business efficiently, effectively and safely.

The work of our Board is supported by four sub-committees:

HR Committee
Finance Committee
Business Development Board
Groundwork in the North Board

Our Senior Management Team is led by our Executive Director and includes senior staff members responsible for financial and business management, business development, communications and fundraising and programme management. This team is fully accountable to the Board and its Committees. It operates through delegated powers outlined in our financial regulations and provides regular reports on financial and operational performance and risk management.

Relationships within Groundwork

Groundwork is a federation of independent charities, each working under a common brand to a common strategy. This strategy sets the direction, milestones and targets which influence operational decision-making across all parts of Groundwork and against which executives hold each other to account.

Within this strategic framework we make our own decisions about the project work we develop and deliver. Our federation strategy supports our local decision-making by focusing on those areas of development and delivery where there is a need or an opportunity for Groundwork to act collectively in order to achieve maximum benefit for the communities it serves.

Groundwork UK delivers services and activities to support Groundwork Trusts by building brand and profile, generating income for local delivery and supporting quality and impact.

Related party transactions

We have considered the disclosure requirements of the SORP and believes that there are no other related party transactions except for those listed on page 34.

Objectives and Public Benefit

Groundwork Leeds charitable objectives are set down in its Memorandum of Association and date from the Interpretation of charitable activities when they were drafted in 1992 as amended at annual general meetings and by written resolution. They commit us to:

- Promoting the conservation, protection and improvement of the physical, natural and social environment in the Leeds area, which consists of all wards in the Leeds Metropolitan District;
- Providing 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 or resorting to the Leeds area; and
- Advancing public education in environmental matters and of the ways of better conserving, protecting and improving the same.

When the merger was completed, Groundwork Yorkshire adopted new Articles of Association. The objects of Groundwork Yorkshire are:

1. To promote the conservation, protection and improvement of the physical and natural environment in the Area.
2. 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 in or working in or resorting to the Area.
3. To advance public education in environmental matters and of the ways of better conserving, protecting and improving the same wheresoever.
4. To promote for the public benefit, urban or rural regeneration in areas of social and economic deprivation within the Area by all or any of the following means:
 - a) the relief of poverty in such ways as may be thought fit;
 - b) the relief of unemployment in such ways as may be thought fit including assistance to find employment;
 - c) the advancement of education, training or re-training particularly amongst unemployed people and providing unemployed people with work experience;
 - d) the provision of financial assistance, technical assistance, business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help:
 - in setting up their own businesses; or
 - to existing businesses;
 - e) the creation of training and employment opportunities by the provision of work space, buildings and/or land for use on favourable terms;
 - f) the provision of housing for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing;
 - g) the maintenance, improvement or provision of public amenities, including the provision of routeways such as footpaths and cycleways and access to main transport routes;
 - h) the preservation of buildings or sites of historic or architectural importance;

- i) the provision or assistance in the provision of recreational facilities for the public at large and/or those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities;
- j) the protection or conservation of the environment, including the reclamation of derelict land for use as open space;
- k) the provision of public health facilities and childcare, including the provision of schemes to promote healthier lifestyles and crèche facilities to increase the ability of parents to take up employment;
- l) the promotion of public safety and prevention of crime, including the alleviation of anti-social behaviour;
- m) such other means as may from time to time be determined subject to the prior written consent of the Charity Commissioners for England and Wales.

5. To promote sustainable development for the benefit of the public within the Area by:

- a) the preservation, conservation and the protection of the environment and the prudent use of resources;
- b) the relief of poverty and the improvement of the conditions of life in socially and disadvantaged communities;
- c) the promotion of sustainable means of achieving economic growth and regeneration.

6. To advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large.

7. Sustainable development in this Article and in Article 2.5 above means "development which meets the needs of the present without compromising the ability of future generations to meet their own needs."

8. To promote the efficiency and effectiveness of charities within the Area in the direct furtherance of their objects (or any one of them) by the provision of information, advice and assistance in the establishment, administration and management of such charities including assistance of all types in connection with the raising and distribution of funds.

9. To promote the efficiency and effectiveness of the voluntary sector for the benefit of the public by the provision of information, support and advice to local community based groups anywhere in the Area.

We have referred to the Charity Commission's general guidance on Public Benefit when reviewing the organisation's objectives and planning future activities. In particular, the trustees consider how planned activities will contribute to the charitable objectives set out above. Further details about the impact of our activities during the period can be found on the following pages.

For further details about our work visit www.groundwork.org.uk/north-east-and-yorkshire/

Strategic Report for the Period Ending 31 March 2021

The Board of Trustees presents its report for the period ended 31 March 2021. This includes statements about our organisation, its governance and its objectives, our financial and operational review for the year, our plans for the future and details of our Board of Trustees, senior staff and advisers.

Due to the impact of the Covid-19 pandemic, Groundwork Leeds extended its financial reporting period in 2019/20, so that it ran for eighteen months. Subsequently, we adjusted our financial reporting period to six-months. This report covers the period from 1 October 2020 to 31 March 2021. In 2021/22, we will revert to a standard twelve month period covering 1 April 2021 to 31 March 2022.

Overview

We know that many people face multiple challenges – living in isolation or with significant health issues in communities with few facilities and limited employment prospects. We work with partners to address these challenges in three ways:

We improve people's prospects - by increasing the confidence, skills, wellbeing and employability of those struggling in education or out of work.

We create better places - by making communities greener, safer and healthier and by enabling people to work together to bring about change in their local area.

We promote greener living and working – to help people and businesses reduce their environmental impact, improve their health, cut waste and save money.

Our approach is based on principles that underpin the way we work:

We join things up – we bring our skills to bear and build partnerships that enable us to deliver maximum impact for communities and maximum value for money for those who help us do it - delivering better employment prospects, better health outcomes, better use of natural resources, better environments and stronger communities at the same time.

We innovate - we develop and test new solutions to longstanding problems, constantly improving our own performance and sharing our learning with others.

We prevent problems – through our work we aim to keep people well, help them achieve in education and behave in ways which are respectful of others and the local and global environment, helping to prevent social and environmental problems and the associated waste of talent and resources.

We support those in most need – we provide targeted support tailored to address the specific needs of vulnerable people and diverse communities, tackling material hardship as well as a poverty of hope and aspiration.

2020/21 has been a year of positive performance for Groundwork Leeds, although the pandemic has had an impact on our ability to deliver our usual volume of work. Face to face activities have been difficult to deliver. However, against a challenging and turbulent backdrop we have maintained the quality and impact of our programmes and we have continued to meet the expectations of our major partners and clients.

In preparation for the legal merger, Groundwork Leeds continued its joint work with Groundwork Wakefield and Groundwork North Yorkshire. This has allowed us to deliver even greater impact in even more communities through new forms of consolidation and collaboration. As more communities feel the brunt of ongoing service reductions and increased vulnerability we know it's our duty to fashion a Groundwork capable of deploying its skills and resources more flexibly and consistently to meet that need. Throughout

this report, we highlight projects, programmes and outputs that have been jointly delivered by Groundwork Yorkshire.

Activity Highlights

This has been a year of good performance for Groundwork Leeds. We have brought a number of pieces of work to a successful conclusion and established some important new relationships.

Improving People's Prospects

Economic engagement and routes into employment boosts economic activity, wealth and enables people to contribute to society. During 2020/21 we provided employability programmes that delivered 1-2-1 tailored key worker individual support; provided a range of qualifications and non-accredited learning in courses such as textiles, arts, woodworking, photography, business administration, ICT, and functional skills in English and Maths; and supported socially isolated people through our successful Men in Sheds programme. This continues to expand with the creation of new Sheds in North Yorkshire and Hull. Unfortunately, many of these activities had to close during the lock-down, but many found a way to operate through the pandemic.

Since April 2020, we acted as a community organisers, running a community hub for the Morley North, Morley South and Ardsley & Robin Hood wards. The Hub supported vulnerable people through the pandemic, including those that were shielding and those who were self-isolating. In the twelve months since the pandemic began, we have given out in excess of 1,560 food hampers – an average of 30 every single week.

We have completed over 12, 000 tasks and supported 1, 300 people with shopping, medication, befriending buddy calls and dog walking. We have had 71 volunteers actively involved since March 2020 with 20 of these still undertaking tasks on at least a monthly if not weekly basis. Each volunteer carries out a minimum of 2 to 3 tasks with 10 having a regular client each week.

In 2020/21, our programmes:

- supported children in 12 schools
- helped 73 young people to improve their prospects through learning
- progressed 240 people into education, training or employment.

Creating Better Places

Our team of community development and engagement, youth and education, fundraising and project management specialists work in areas of need to help create better neighbourhoods and deliver benefits for both local people and their local environment.

Whether engaging schools on environmental projects or doing outreach youth work that addresses issues of holiday hunger and antisocial behaviour, our experience of working with young people and helping them to play a positive role in their local communities, while becoming more active and engaged is a core offer that we continue to develop and grow. We directly manage and also support other groups to look after outdoor spaces ranging from country parks and woodlands, to play areas and sports grounds, to golf courses and community tree nurseries and orchards. Groundwork supports local people to become better prepared, more resilient and able to respond to emergencies, such as future flood risks, whilst also looking after their river corridors and their tributaries.

Our Landscape Design Team delivers a professional landscape design service that can take a project from inception through to detailed design, planning application, contractor procurement and implementation management.

Our work includes the preparation of projects ranging from conceptual masterplans through to contract delivery for local parks, play areas, skate parks, country parks, route ways and green infrastructure. We deliver this work in partnership with clients ranging from friend's groups, town and parish councils, and major service departments in local authorities. We design and deliver schemes to develop, enhance and improve urban public spaces ranging from city squares to village centres, high streets and private open space projects.

The pandemic had an impact on our work in communities. All of our face to face activities were suspended, and we had to transition to alternative delivery methods.

During 2020/21, we:

- unlocked over 940 days of voluntary action to improve local communities
- improved and maintained 184 open spaces covering over 3.9 million square metres of land
- supported 231 community organisations to carry out projects in their area
- planted 2,647 trees.

Promoting Greener Living & Working

It is a stark reality that global environmental and economic challenges impact first and worst on those people and communities that have least and our programmes under this theme seek to challenge these issues, ensuring families are encouraged to be more environmentally aware but also financially resilient.

In order to ensure that the challenges of climate change are met requires people everywhere to learn to live and work differently, we help people and organisations to make choices and changes that deliver practical benefits now and sow the seeds of a more sustainable future.

Groundwork has been delivering our award winning Green Doctor programme in Leeds since 2007 and through a range of funded programmes each year we assist households at risk of fuel poverty with saving energy on their fuel bills, through providing advice, household assessments and practical solutions in their homes.

During the year we:

- provided energy, waste and water efficiency advice to 6,841 people in low income households, saving residents over £84,250
- supported 43 businesses to operate more sustainably
- provided advice and practical solutions to avoid 145,956 kilograms of CO₂ emissions and save 112,544 litres of water.

Our Plans for the Future

Our locally focused projects and programmes will **mobilise people of all ages** to give their time to social action in their local communities.

Our Lifelong Learning and Communities Teams will **inspire and support** young people to learn, achieve and develop as more active citizens.

Our Jobs and Skills and Lifelong Learning will **help people of all ages to progress** in education, access training or start work.

We will provide **advice, funding and practical support** to community groups.

Through the work of our Design, Community and Landscape teams we will **create, improve and help look after** important local green spaces.

Our Green Doctors will **help people save money on their bills or stay warm and well in their homes**.

We will support businesses to **reduce their impact on the environment** and increase their commitment to the community through better environmental design and awareness, improving the physical space that businesses sit within and encouraging their engagement and interaction with their local communities.

In 2020/21, we aim to:

- support children in 65 schools;
- help 100 young people to improve their prospects through learning;
- coach learners of all ages to secure more than 30 qualifications;
- progress 200 people into education, training or employment;
- Unlock over 750 days of voluntary action to improve local communities;
- improve and maintain 190 open spaces covering over 3.7 million square metres of land;
- support 250 community organisations to carry out projects in their area;
- plant 2,200 trees;
- provide energy, waste and water efficiency advice to 3,700 people in low income households, saving residents over £90,000;
- support 60 businesses to operate more sustainably; and
- provide advice and practical solutions to avoid 126,000 kilograms of CO₂ emissions and save 100,000 litres of water.

Our National Strategy: Building a Better Groundwork

We are building on a 35 year track record of success but know we can't stand still. In order to ensure that more local communities have access to the skills and support we can provide we need to change the way we work. We have initiated significant change locally and regionally and, as part of the National federation of Groundwork Trusts, support our national change process.

Our ambition is to build our visibility, our reputation and our resource base so that we can be a significant, radical, national force for driving change in attitudes, behaviours, places and prospects in the local communities that need it most.

In order to achieve this ambition we will improve our own capacity and resilience to ensure we are putting maximum resource into our delivery in local communities and investing in the right skills to improve the quality of our services and management.

Our priorities for action will be:

- **To improve our communications** and build a network of ambassadors and supporters giving their time, voice and money to support our mission.
- **To strengthen and diversify our income base** by demonstrating our distinctive value to public sector commissioners and engaging more creatively with business partners.
- **To improve our communications** and build a network of ambassadors and supporters giving their time, voice and money to support our mission.
- **To increase the reach, quality and impact of our local projects** and services by enabling our specialist teams to operate at bigger scale with better systems and support from high quality and consistent enabling functions.

Groundwork in the North

Groundwork in the North is a group of five independent Groundwork Trusts working across the North of England. It has been established to contribute to the Federation's 'Building a Better Groundwork' strategy to consolidate some functions across each of the Groundwork.

We are comprised of Groundwork Cheshire, Lancashire and Merseyside, Groundwork Greater Manchester, Groundwork North East & Cumbria, Groundwork South Tyneside and North Tyneside and Groundwork Yorkshire.

Our vision is a vibrant and sustainable Groundwork delivering more impact to the communities we serve across the North. We aim to:

- **Market Share** - Develop a consolidated market-oriented approach across the north, consolidating existing service, achieving new opportunities and collaborating more proactively within the group.
- **Business Development and Growth** - Modernise and invest in our individual and collective approach to business development- building better services for the Northern communities we serve.
- **Systems and Compliance** - Use technology and systems in order to maximise efficiencies, improve our business support services, and create efficient, consistent approaches.
- **Quality Impact**- Utilise best practice, systems and evaluation methods to ensure the highest quality services are delivered consistently across our programmes.
- **Sustainability** - Grow turn-over incrementally and increase margins within the group for reinvestment and development.
- **Governance and Management**- Work towards more integrated governance and management within a consolidated Groundwork North.

All of our planning is designed to ensure we have the resilience and flexibility as an organisation to cope with a changing and challenging context while focusing on the development of new programmes of work that contribute to our mission and express our values. This will mean a greater variety of income sources, investment in our communications capabilities, effective and efficient performance on our portfolio of programmes and contracts, active management of our costs and assets and a continued commitment from our volunteer trustees to support and champion our work.

Financial performance

Our net incoming resources for 2020/21 totalled £7,203 (2019/20 £20,733), with an unrestricted deficit of £11,104 (2019/20 £20,733).

Our financial strategy has three clear and linked strands as follows:

- to minimise our overhead costs to ensure discretionary spending is focused on supporting front line delivery and generating more income
- to achieve an operating surplus so that we can meet our Reserves Policy and increase the strength of our balance sheet
- to use this increased financial strength to withstand unexpected challenges ahead and to invest in the capability we need to diversify our income streams and ensure the quality of our provision.

Reserves

In line with this financial strategy our trustees have agreed that we should aim to hold at least 3 months operating costs (c £884,000 for Groundwork Yorkshire as a merged entity in 2021/22) in liquid reserves. We believe this is appropriate for the following reasons:

- to absorb short term set-backs such as loss or delays in funding
- to provide the working capital required to finance retrospective programme funding which can result in considerable timing differences between expenditure and receipt of funds
- to cover the cost of investing in staff training and development to develop new and improved services for Groundwork
- to cover the cost of developing new services, such as improved communications, research and quality and business information systems
- to set aside funds for capital assets such as ICT equipment and for properly equipping our properties
- to provide funding to cover any unforeseen downturn in activity, allowing alternative activity to be generated and/or a planned down-sizing of our staff team.

The above needs 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 and funders, our member Trusts within Groundwork and the communities we serve
- the need to avoid the creation or retention of unnecessary surpluses for which there is no future planned requirement or that bear no relation to our charitable aims.

Our level of group free liquid reserves at the end of 2020/21 stands at £189,138, which represents net current assets less restricted funds less debtors due after one year and less designated funds expected to be used in the next financial year.

At the end of the financial year, unrestricted reserves totalled £59,125 (2019/20: £70,229) and restricted reserves totalled £18,307 (2019/20: £0).

Principal funding sources

Most of our funding comes from public or private sector grants and contracts. Each main programme is structured and funded differently, as outlined below:

- **Our Design & Capital Programme** – is supported by Leeds City Council, various Parish and Town Councils across the region, Tesco through their Bags of Help programme, Landfill Community

Funding e.g. Veolia, National Lottery Community Fund and through various grass roots community groups, such as Friends of Gledhow Valley Woods.

- Our work in **Communities** is supported by the National Lottery Community Fund, Tesco, ESF, Comic Relief, the Land Trust, Leeds City Council, Leeds Community Foundation, and Selby District Council.
- The main funder for our **Lifelong Learning** programme is Leeds City Council's Adult Learning service. **Men in Sheds** is funded by the Henry Smith Trust.
- The main funder for the **Jobs & Skills** programme is the National Lottery's Building Better Opportunities fund.
- **Scarborough Job Match** is funded by an ESF programme and Scarborough Borough Council and is supported by revenue generated by JobMatch (UK), one of our trading subsidiaries.
- **Green Doctor** is funded by Leeds City Council, Care and Repair, Energy Redress, Groundwork UK, British Gas Trust, Northern Gas Networks & Northern Powergrid, and a range of housing partners.

Expenditure on charitable objectives

In line with the objectives set in our Groundwork 2020 strategy and our business plan, our expenditure in the year was directed towards the activities mentioned in the above report and summary. In the six month period to March 2021, Groundwork Yorkshire spent £1.2 million on charitable activities. £1 m was spent on our trading activities and on management and administration.

Sustainable Development Report

Groundwork's charitable mission is to promote sustainable development – helping communities and individuals develop the understanding and capability to take action and make choices that deliver social equity and economic prosperity while recognising the need to live within the earth's finite natural resources. In order to have credibility as an organisation we need to demonstrate that the principles of sustainable development underpin the way we go about our work. Our sustainable development policy commits us to reporting on how these principles are integral to the way we plan and manage our operations, support our employees and utilise our resources.

Staff Remuneration

Staff salaries are set by management, based on broad pay bands and market tested through recruitment. The salary of the Executive Director is determined by the Board.

Groundwork is not obliged to report on its Gender Pay Gap, as it has fewer than 250 employees, however we undertook to review our Gender Pay Gap and report on our pay differential. The calculation shows that female employees earn, on average, 26 pence less per hour than their male colleagues, but the median pay gap is zero. There are 13 men and 12 women in the top quartile, 15 men and 10 women in the second quartile and 14 men and 11 women in both the third and lower quartile.

Principal risks and uncertainties

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

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

Our Board of Trustees, through its delegated Committee structure, regularly monitors the development and operation of Groundwork North, East and West Yorkshire's risk management process. The process, which operates as both a top-down and bottom-up mechanism, is designed to enable trustees to conclude whether the major risks to which the charity is exposed have been identified and reviewed, and that systems have been established to mitigate these risks.

Our senior management team has, with support from trustees, undertaken the following:

- reviewed the main, high impact generic risks
- established a risk register of all the significant risks which might impact on our core purposes and key objectives
- established a bottom-up and top down process of risk identification, assessment, mitigation and monitoring for all likely risks
- produced a detailed annual report setting out the action designed to eradicate or mitigate the risks identified

Following review by Committee, a report is prepared for the Board identifying the major risks on which trustees should concentrate action at the highest level.

The major areas of potential risk, for which we have active and specific mitigation strategies in place, are as follows:

- ongoing change processes with local partners consuming management time and impacting on our ability to promote a consistent offer to partners and funders
- an unexpected withdrawal of funding from a major partner, for example due to failure to meet targets, or a significant clawback of funding as a result of programme audits.
- poor delivery quality or the inappropriate use of funds undermining our reputation and compromising future business development
- a major personal incident (e.g. in relation to Health & Safety or Safeguarding) occurring on a project
- non-compliance with data security requirements by our staff or subcontractors or our systems being affected by a significant cyber attack.

We recognise that risk management is an essential part of good business practice and an effective mechanism of good governance. The Board is committed to ensuring that risk management processes are embedded throughout the organisation, and that these processes are used to help identify at an early stage issues that affect performance or achievement of purpose.

However, the Board recognises that a risk management system can only seek to manage rather than eliminate risk of failure, and that it should therefore be only one of the tools that the Board uses to provide effective control and management of the administration of the charity.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Strategic report, the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees recognise their responsibility for ensuring funds are generated in a way that meets our ethical standards and industry good practice. We confirm that:

- we do not use professional fundraising agencies or commercial participators to raise funds on our behalf;
- potential donors are invited to make general donations to Groundwork or to a particular project that is highlighted

Events after the year end

There are no material post year end matters that affect the financial statements.

Advisors

Auditor

Allotts Business Services Limited, Statutory Auditor
Chartered Accountants
The Old Grammar School
13 Moorgate Road
Rotherham
S60 2EN

Bankers

Unity Trust Bank
PO Box 7193
Planetary Road
Willenhall
WV1 9DG

Solicitors

Eversheds
Cloth Hall Court
Infirmary Street
Leeds LS1 2JB

Stapleton Gardner & Co
Stoneleigh House
Commercial Street
Morley
Leeds LS27 8HN

The Board of Trustees

The trustees (who are the directors of the company in accordance with the Companies Act 2006) on the date of approval of this report, or who served as trustees at any time during the year reported on, are as follows:

Appointed Trustees	First Appointed	Resigned/Retired
Nominated by Leeds City Council		
Councillor Ann Blackburn	July 2004	January 2021
Councillor Pauleen Grahame	September 2010	January 2021
Councillor Al Garthwaite	December 2018	
Councillor John Illingworth	September 2018	January 2021
Nominated by Groundwork UK		
Co-opted Trustees		
Mrs Rowena Hall	June 2015	January 2021
Mrs Laura Strickland	September 2015	January 2021
Mr Trevor Lincoln	September 2014	
Company Secretary		
Ms Sarah Munro	December 2018	

Committees of the Board

Each of the following Committees and Boards are supported by experienced Trustees from the three Yorkshire Groundwork Trusts – Leeds, North Yorkshire and Wakefield– and some independent members. The Groundwork in the North Committee includes representatives from each of the five engaged Trusts.

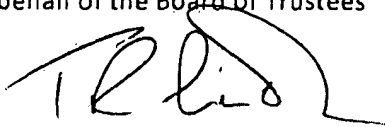
Finance Committee	Chair – Trevor Lincoln, Peter Cooper, John Readshaw, Hugh Taylor
Human Resources Committee	Chair – John Readshaw, Elaine Blezard, Hugh Taylor
Business Development Board	Chair – Rowena Hall, Chris Dickinson
Groundwork in the North	Chair – Antony Nelson, Rowena Hall, David Martin, Geoff Owen, Paul Roots.

Executive Director
Adrian Curtis

Disclosure of information by the trustees to the auditor

Each of the trustees has confirmed that, so far as they are aware, there is no relevant audit information of which the auditor of Groundwork Leeds is unaware, and that they have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that Groundwork UK's auditor is aware of that information.

Signed on behalf of the Board of Trustees



Trevor Lincoln
Chairman

Date.....17/12/21.....

**Independent Auditors' Report to the Trustees of
The Leeds Groundwork Trust**

Qualified opinion on financial statements

We have audited the financial statements of The Leeds Groundwork Trust and its subsidiaries for the period ended 31 March 2021 on pages 19 to 34. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the charitable company's and group's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for qualified opinion on financial statements

Included in the company's and group's balance sheet at 31 March 2021 is a pension scheme deficit of £569,000. This is based on the valuation as at 31 March 2019. The company has decided not to obtain a valuation as at 31 March 2021. We were unable to obtain sufficient appropriate audit evidence about the valuation at 31 March 2021. Consequently, we were unable to determine whether any adjustment to this valuation was necessary.

Otherwise we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to Note 1a to the financial statements which explains that the operations of the charity will be merged with and transferred to another charity after the period end. The trustees therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in the note. Our opinion is not modified in this respect of this matter.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

In respect of our qualification relating to the pension deficit:

- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports)

Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page fourteen, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control

Independent Auditors' Report to the Trustees of
The Leeds Groundwork Trust (continued)

as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under section 151 of the Charities Act 2011 and report in accordance with that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management around actual and potential litigation and claims and fraud;
- Enquiry of management and review of expenditure to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including review of nominal ledger transactions and other adjustments for appropriateness and evaluating the business rationale of any significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias, in particular management assumptions and judgements in respect of income recognition.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Allotts Business Services Ltd
 Chartered Accountants
 Statutory Auditor
 The Old Grammar School
 13 Moorgate Road
 Rotherham
 South Yorkshire
 S60 2EN

Date

20/12/2021

Allotts Business Services Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated Statement of Financial Activities (Including Income and Expenditure Account)
For the 6 Month Period 1 October 2020 to 31 March 2021

		Unrestricted Funds 01.10.20 to 31.03.21 £	Restricted Funds 01.10.20 to 31.03.21 £	Total Funds 01.10.20 to 31.03.21 £	Total Funds 01.04.19 to 30.09.20 £
	Note				
INCOME FROM					
Donations	2	29,272	-	29,272	71,654
Government grants for coronavirus support	2	11,172	-	11,172	28,330
Charitable activities	3	244,667	290,226	534,893	2,308,795
Investments		-	-	-	-
		<u>285,111</u>	<u>290,226</u>	<u>575,337</u>	<u>2,408,779</u>
EXPENDITURE ON					
Charitable activities	3	296,215	271,919	568,134	2,325,817
Exceptional coronavirus costs	3	-	-	-	62,229
Other	4	-	-	-	-
		<u>296,215</u>	<u>271,919</u>	<u>568,134</u>	<u>2,388,046</u>
NET INCOME/ (EXPENDITURE) FOR THE YEAR		(11,104)	18,307	7,203	20,733
Pension scheme actuarial (losses)/ gains	15	-	-	-	-
NET MOVEMENT IN FUNDS		<u>(11,104)</u>	<u>18,307</u>	<u>7,203</u>	<u>20,733</u>
RECONCILIATION OF FUNDS:					
Fund balances brought forward:		70,229	-	70,229	49,496
Net movement in funds		(11,104)	18,307	7,203	20,733
Fund balances carried forward		<u>59,125</u>	<u>18,307</u>	<u>77,432</u>	<u>70,229</u>

The notes attached form part of these financial statements.

Consolidated and Company Balance Sheets
31 March 2021

		Group		Company	
	Notes	31 March 2021	30 September 2020	31 March 2021	30 September 2020
		£	£	£	£
FIXED ASSETS					
Tangible Assets	9	538,508	542,508	538,508	542,508
Investments	10	-	-	100	100
		<u>538,508</u>	<u>542,508</u>	<u>538,608</u>	<u>542,608</u>
CURRENT ASSETS					
Stock		19,930	19,930	14,302	14,302
Debtors due within one year	11	464,026	608,164	460,146	599,717
Debtors due after one year	11	50,479	50,479	50,479	50,479
Cash at bank and in hand		227,638	125,592	175,637	114,636
		<u>762,073</u>	<u>804,165</u>	<u>700,564</u>	<u>779,134</u>
CREDITORS					
Amounts falling due within one year	12	(654,149)	(707,444)	(596,867)	(683,803)
NET CURRENT ASSETS		107,924	96,721	103,697	95,331
NET ASSETS BEFORE PENSION DEFICIT		<u>646,432</u>	<u>639,229</u>	<u>642,305</u>	<u>637,939</u>
Pension scheme deficit	15	(569,000)	(569,000)	(569,000)	(569,000)
NET ASSETS		<u>77,432</u>	<u>70,229</u>	<u>73,305</u>	<u>68,939</u>
FUNDS					
Unrestricted Funds	17				
General Fund		269,212	279,050	265,085	277,760
Revaluation Reserve		358,913	360,179	358,913	360,179
Pension Reserve		(569,000)	(569,000)	(569,000)	(569,000)
		<u>59,125</u>	<u>70,229</u>	<u>54,998</u>	<u>68,939</u>
Restricted Funds	17	18,307	-	18,307	-
		<u>77,432</u>	<u>70,229</u>	<u>73,305</u>	<u>68,939</u>

The Leeds Groundwork Trust (Company number 2064992)

Consolidated and Company Balance Sheets
31 March 2021

For the period ending 30 September 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

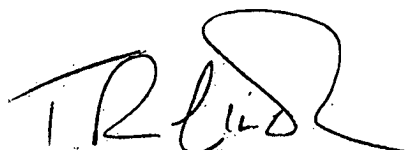
These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

The financial statements were approved by the trustees on behalf by:

17/12/21

and are signed on its

T LINCOLN:



Chairman

The Leeds Groundwork Trust

Consolidated Statement of Cash Flows
For the Period ended 31 March 2021

	2021	2020
	£	£
Cash flow from operating activities	<u>133,240</u>	<u>147,061</u>
Cash flow from Investing activities		
Investment income	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Cash flow from financing activities		
Loan received	-	90,000
Loan repaid	(30,331)	(39,019)
Loan interest paid	(863)	(4,655)
	<u>(31,194)</u>	<u>46,326</u>
Change in cash	102,046	193,387
Cash at start of period	<u>125,592</u>	<u>(67,795)</u>
Cash at end of period	<u>227,638</u>	<u>125,592</u>

Reconciliation of Income and Expenditure to Operating Cash Flow

	2021	2020
	£	£
Net income / expenditure	7,203	20,733
Depreciation	4,000	21,894
Investment income	-	-
Interest cost	863	4,655
Defined benefit pension scheme adjustments	-	-
Change in stock	-	(3,536)
Change in debtors	144,138	37,364
Change in creditors	(22,964)	48,428
	<u>133,240</u>	<u>129,538</u>

Analysis of Cash and Cash Equivalents

	2021	2020
	£	£
Cash at bank and in hand	227,638	125,592
Bank overdraft	<u>-</u>	<u>-</u>
	<u>227,638</u>	<u>125,592</u>

<u>Net Debt</u>	2020	Cashflow	2021
	£	£	£
Cash	125,592	102,046	227,638
Bank loan	(50,981)	30,331	(20,650)
	<u>74,611</u>	<u>132,377</u>	<u>206,988</u>

Notes to the Financial Statements
For the 6 Month Period 1 October 2020 to 31 March 2021

1 ACCOUNTING POLICIES

a) Accounting Convention and Basis of Preparing the Financial Statements

The financial statements have been prepared under the historical cost convention, in accordance with FRS102: The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland, the Statement of Recommended Practice: Accounting and Reporting by Charities, the Charities Act 2011 and the Companies Act 2006.

The charity is a public benefit entity as defined by FRS102.

The charity has merged with Groundwork Wakefield Limited and Groundwork North Yorkshire to form Groundwork Yorkshire Limited. After a run-off period in which existing projects will continue in this charity but new ones will start in the merged entity, this will involve all assets, liabilities and operations transferring to the merged charity without leaving any creditors unpaid. The financial statements have therefore been prepared on a basis other than going concern. However, as the activities of the charity since the transfer have been largely unchanged, no material adjustments were required to the carrying values of the assets and liabilities as a result of ceasing to apply the going concern basis.

b) Group Financial Statements

These financial statements consolidate the accounts of the charity and its subsidiary undertaking, both of which are made up to 31 March, on a line by line basis. Transactions between group companies are eliminated on consolidation. No Statement of Financial Activities is presented for the charity alone.

c) Company Status

The Leeds Groundwork Trust is a company limited by guarantee. The guarantors are The Federation of Groundwork Trusts and Leeds City Council. The liability in respect of the guarantee, as set out in the memorandum, is limited to £1 per member.

d) Fund Accounting

Funds held by the charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds - these are funds that can only be used for specific restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or grant making body or when funds are raised for particular restricted purposes.

Notes to the Financial Statements
For the 6 Month Period 1 October 2020 to 31 March 2021

1 ACCOUNTING POLICIES

e) Income

Items of income are recognised and included in the accounts when all of the following criteria are met: the charity or its subsidiary have entitlement to the funds, any performance conditions attached to the items of income have been met or are fully within the control of the charity or its subsidiary, there is sufficient certainty that receipt of the income is considered probable and the amount can be measured reliably. The following specific policies are applied:

Donations - Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Charitable activities - Income from service contracts is accounted for when earned for service contracts. Where grants are considered to be performance related, income is recognised to the extent that the services outlined had been performed by the year end. Where income has been received but the related service had not been performed by the year end, the balance is carried forward as deferred income.

Investment income is accounted for when receivable.

f) Resources Expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure, including irrecoverable VAT, has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of resources.

Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Support costs are allocated between expense headings on the basis of time spent. Support costs include governance costs.

g) Pension costs

The company makes contributions to the West Yorkshire Local Government Superannuation Fund, a defined benefit scheme. The charge represents contributions paid by the company to the fund in respect of the year for current employees.

Notes to the Financial Statements
For the 6 Month Period 1 October 2020 to 31 March 2021

1 ACCOUNTING POLICIES**h) Tangible fixed assets:**

Individual tangible fixed assets costing £1,500 or more are capitalised and included at cost including any incidental expenses of acquisition.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write-off the cost of fixed assets, less their estimated residual value, over their expected useful life on the following basis:

Freehold buildings	over 50 years straight line
Furniture	over 10 years straight line
Building improvements	over 10 years straight line
Computer hardware	over 3 years straight line
Motor vehicles	over 5 years straight line

i) Corporation tax

The company is exempt from corporation tax on its charitable activities.

j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered and future interest.

k) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due and future interest.

l) Length of reporting period

Due to a recent merger the period covered by these financial statements is six months. The comparative figures are for eighteen months and are therefore not entirely comparable. The charity is entitled to change the period in this way under the Companies Act 2006.

2 DONATIONS

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Grants for core funding	17,515	-	17,515	52,545
Government grants for coronavirus support	11,172	-	11,172	28,330
Other	11,757	-	11,757	19,109
	<u>40,444</u>	<u>-</u>	<u>40,444</u>	<u>99,984</u>

3 CHARITABLE ACTIVITIES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income:				
Community projects	62,317	290,226	352,543	1,057,969
Land projects	168,779	-	168,779	1,175,405
Employment projects	13,571	-	13,571	75,421
Business projects	-	-	-	-
	<u>244,667</u>	<u>290,226</u>	<u>534,893</u>	<u>2,308,795</u>

Notes to the Financial Statements
For the 6 Month Period 1 October 2020 to 31 March 2021

3 CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Expenditure:				
Community projects	108,769	271,919	380,688	1,090,040
Land projects	173,465	-	173,465	1,180,990
Employment projects	13,981	-	13,981	117,016
Business projects	-	-	-	-
	<u>296,215</u>	<u>271,919</u>	<u>568,134</u>	<u>2,388,046</u>
		Support	Total	Total
	Direct Costs	Costs	Costs	Costs
	2021	2021	2021	2020
	£	£	£	£
Expenditure comprised:				
Community projects	206,177	174,511	380,688	1,090,040
Land projects	107,247	66,218	173,465	1,180,990
Employment projects	8,668	5,313	13,981	117,016
Business projects	-	-	-	-
	<u>322,092</u>	<u>246,042</u>	<u>568,134</u>	<u>2,388,046</u>

4 SUPPORT AND OTHER COSTS

	Community £	Land £	Employment £	Total £	2020 £
Support Costs					
Staff costs	143,915	53,751	4,293	201,959	479,457
Travel	420	181	15	616	5,329
Marketing	-	-	-	-	63,956
Premises	9,104	3,908	323	13,335	72,848
Administration	10,133	4,331	359	14,823	35,425
Professional fees	187	81	7	275	511
Sundry	-	-	-	-	-
IT	4,576	1,965	163	6,704	19,948
Depreciation	2,731	1,172	97	4,000	21,900
<u>Governance costs</u>					
Legal and professional	-	-	-	-	1,250
Trustee expenses	-	-	-	-	185
Audit fees	1,573	676	56	2,305	20,620
Non-audit services	1,872	153	-	2,025	6,265
	<u>174,511</u>	<u>66,218</u>	<u>5,313</u>	<u>246,042</u>	<u>727,694</u>
Other Costs					
Pension costs	-	-	-	-	-
Fraud	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements
For the 6 Month Period 1 October 2020 to 31 March 2021

5 INCOME AND EXPENDITURE BY FUND FOR PRIOR PERIOD

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
INCOME FROM			
Donations	71,654	-	71,654
Government grants for coronavirus support	28,330	-	28,330
Charitable activities	1,336,113	972,682	2,308,795
Investments	-	-	-
	<u>1,436,097</u>	<u>972,682</u>	<u>2,408,779</u>
EXPENDITURE ON			
Charitable activities	1,353,135	972,682	2,325,817
Exceptional coronavirus costs	62,229	-	62,229
Other	-	-	-
	<u>1,415,364</u>	<u>972,682</u>	<u>2,388,046</u>
NET INCOME FOR THE PERIOD	20,733	-	20,733
Pension scheme actuarial (losses)/ gains	-	-	-
NET MOVEMENT IN FUNDS	<u>20,733</u>	<u>-</u>	<u>20,733</u>
RECONCILIATION OF FUNDS			
Fund balances brought forward:	49,496	-	49,496
Net movement in funds	20,733	-	20,733
Fund balances carried forward	<u>70,229</u>	<u>-</u>	<u>70,229</u>

6 STAFF COSTS

	2021 £	2020 £
Salaries and wages	129,736	675,010
Social security costs	11,126	55,290
Pension costs	9,356	53,012
	<u>150,218</u>	<u>783,312</u>

The average monthly head count of employees during the period, analysed by category, was

Charitable activities	5	10
Management and administration	2	4
	<u>7</u>	<u>14</u>

One employee earned over £60,000pa. (2020: one)

Key management personnel remuneration

	<u>17,196</u>	<u>103,176</u>
--	---------------	----------------

7 TRUSTEES

Trustees were not remunerated for any services in the period.

No trustees were reimbursed for personal expenses properly incurred in the performance of their duties as trustee (2020: one trustee was paid £185).

8 NET INCOME/(EXPENDITURE) FOR THE YEAR

	2021 £	2020 £
This is stated after charging:-		
Auditors' remuneration (group)		
- audit services	2,305	20,620
- non-audit services	2,025	6,265
Operating lease payments	1,420	-
Depreciation	<u>4,000</u>	<u>21,894</u>

Government grants represent a substantial part of the charity's income and mostly fund specific costs which would not be incurred had the grant not been received. Hence the effect on the results of government grants cannot be quantified.

Notes to the Financial Statements
For the 6 Month Period 1 October 2020 to 31 March 2021

9 TANGIBLE ASSETS

Group	Freehold land and buildings £	Motor vehicles £	Computer equipment £	Furniture £	Building improve- ments £	Total £
COST						
At 1 October 2020	600,000	113,171	169,699	24,993	37,974	945,837
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
At 31 March 2021	<u>600,000</u>	<u>113,171</u>	<u>169,699</u>	<u>24,993</u>	<u>37,974</u>	<u>945,837</u>
DEPRECIATION						
At 1 October 2020	57,492	113,171	169,699	24,993	37,974	403,329
Charge for year	4,000	-	-	-	-	4,000
Eliminated on disposal	-	-	-	-	-	-
At 31 March 2021	<u>61,492</u>	<u>113,171</u>	<u>169,699</u>	<u>24,993</u>	<u>37,974</u>	<u>407,329</u>
NET BOOK VALUE						
At 31 March 2021	<u>538,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>538,508</u>
At 30 September 2020	<u>542,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>542,508</u>
Company						
	Freehold land and buildings	Motor vehicles £	Computer equipment £	Furniture £	Building improve- ments £	Total £
COST						
At 1 October 2020	600,000	79,953	153,847	24,993	37,974	896,767
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 March 2021	<u>600,000</u>	<u>79,953</u>	<u>153,847</u>	<u>24,993</u>	<u>37,974</u>	<u>896,767</u>
DEPRECIATION						
At 1 October 2020	57,492	79,953	153,847	24,993	37,974	354,259
Charge for year	4,000	-	-	-	-	4,000
Eliminated on disposal	-	-	-	-	-	-
At 31 March 2021	<u>61,492</u>	<u>79,953</u>	<u>153,847</u>	<u>24,993</u>	<u>37,974</u>	<u>358,259</u>
NET BOOK VALUE						
At 31 March 2021	<u>538,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>538,508</u>
At 30 September 2020	<u>542,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>542,508</u>

A transitional option in FRS102 has been taken to retain a valuation of freehold land and buildings made under previous GAAP as deemed cost on adoption of FRS102.

Freehold land and buildings were valued on an open market existing use basis at 1 September 2015 by Tapp Chartered Surveyors.

If they had not been so valued they would have been included as follows:

	2021 £	2020 £
Cost	410,075	410,075
Accumulated depreciation	(230,480)	(227,746)
	<u>179,595</u>	<u>182,329</u>

Notes to the Financial Statements
For the 6 Month Period 1 October 2020 to 31 March 2021

10 INVESTMENTS

	Group 2021 £	2020 £	Company 2021 £	2020 £
<i>Shares in subsidiaries at cost</i>				
At 1 October 2020	-	-	100	100
Additions	-	-	-	-
At 31 March 2021	-	-	100	100

The charity owns 100% of the ordinary share capital of Groundwork Environmental Services (Leeds) Limited, a company registered in England and Wales with registration number 02947274. Its registered office is Environment & Business Centre, Merlyn Rees Avenue, Morley, Leeds.

The subsidiary undertakes environmental projects similar to those of the charity but which, because of their location or nature cannot be undertaken by the charity. Taxable profits are donated to the charity.

The results are included within these consolidated financial statements on a line by line basis.

A summary of the subsidiary's trading results (pre consolidation adjustments) is shown below.

	2021 £	2020 £
Turnover	66,825	95,769
Cost of sales	(35,027)	(69,316)
Gross profit	31,798	26,453
Administrative expenses	(28,960)	(28,205)
Gift aid payment	-	(4,439)
Other income	-	-
Net profit/(loss)	2,838	(6,191)
Assets	313,571	275,825
Liabilities	(309,344)	(274,436)
Net assets	4,227	1,389
Called up share capital	100	100
Profit and loss account	4,127	1,289
	4,227	1,389

11 DEBTORS due within one year

	Group 2021 £	2020 £	Company 2021 £	2020 £
Trade debtors	352,929	491,125	104,667	243,118
Other debtors	11,201	17,907	4,000	17,907
Amount owed by subsidiaries	-	-	259,263	250,794
Prepayments and accrued income	99,896	99,132	92,216	87,898
	464,026	608,164	460,146	599,717
DEBTORS due after one year				
Prepayments and accrued income	50,479	50,479	50,479	50,479

The Leeds Groundwork Trust

Notes to the Financial Statements
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12 CREDITORS (Amounts falling due within one year)

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank overdraft	-	-	-	-
Bank loan	20,650	50,981	20,650	50,981
Trade creditors	96,863	210,416	93,629	209,201
Social security and other tax	13,945	37,562	13,945	37,562
Other creditors	357,196	194,772	315,858	178,434
Accruals	69,356	26,992	56,781	20,904
Deferred income	96,139	186,721	96,004	186,721
	<u>654,149</u>	<u>707,444</u>	<u>596,867</u>	<u>683,803</u>

The bank loan is secured by a charge over the company's freehold land & buildings.

13 DEFERRED INCOME

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Balance brought forward	186,721	234,873	186,721	226,969
Income received	471,492	2,320,130	400,975	2,216,830
Income released to SOFA	(562,074)	(2,368,282)	(491,692)	(2,257,078)
Balance carried forward	<u>96,139</u>	<u>186,721</u>	<u>96,004</u>	<u>186,721</u>

Income has been deferred because it relates to future accounting periods as stipulated by the funders or where the conditions imposed have not yet been met.

14 COMMITMENTS

	2021	2020
	£	£
The group had total commitments under non-cancellable leases of office equipment as follows:		
Due within one year	2,082	2,082
Due in the second to fifth years	7,287	6,246
	<u>9,369</u>	<u>8,328</u>

15 PENSION COSTS

The company makes payments on behalf of employees to the West Yorkshire Pension Fund. It is a funded defined benefit scheme, with the assets held in separate trustee-administered funds.

A full valuation was carried out at 31 March 2016 and was last updated to 31 March 2019 by a qualified independent actuary. A valuation at 31 March 2021 was not obtained.

Major assumptions

	31 March	30 September
	2021	2020
	%	%
Rate of increase in salaries	3.5	3.5
Rate of increase for pensions	2.2	2.2
Rate of inflation (RPI)	3.3	3.3
Rate of inflation (CPI)	2.2	2.2
Discount rate	2.4	2.4

Life expectancy assumptions

	31 March	30 September
	2021	2020
	years	years
Male current pensioner age 65 now	22.2	22.2
At 65 for a male future pensioner aged 45 now	23.2	23.2
Female current pensioner age 65 now	25.4	25.4
At 65 for a female future pensioner aged 45 now	27.2	27.2

Notes to the Financial Statements
For the 6 Month Period 1 October 2020 to 31 March 2021

15 PENSION COSTS (continued)**Share of assets**

	2021	2020
	%	%
Equities	74.0	74.0
Government bonds	11.2	11.2
Other bonds	4.0	4.0
Property	4.7	4.7
Cash	2.3	2.3
Other	3.8	3.8

	£000	£000
Total market value of assets	1,816	1,816
Present value of scheme liabilities	(2,385)	(2,385)
Deficit	<u>(569)</u>	<u>(569)</u>

Movement in deficit

	2021	2020
	£000	£000
At start of year	(569)	(569)
Current service charge	-	-
Employer contributions	-	-
Past service gain/(cost)	-	-
Net interest/return on assets	-	-
Actuarial gain/(loss)	-	-
At end of year	<u>(569)</u>	<u>(569)</u>

Net interest/return on assets

	2021	2020
	£000	£000
Interest on net defined benefit liability	<u>-</u>	<u>-</u>

The pension deficit is not expected to have any material impact on the financial viability of the organisation. A full scheme valuation is undertaken every three years by the scheme actuary which addresses the actions necessary over the long term to ensure the sustainability of the West Yorkshire Pension Fund.

16 RESULTS OF PARENT CHARITY

	2021	2020
	£	£
Income	510,388	2,318,431
Gift aid donation from trading subsidiary	-	4,439
Expenditure	(506,022)	(2,295,946)
Pension scheme deficit	-	-
Increase/(Decrease) in funds	<u>4,366</u>	<u>26,924</u>
Total funds brought forward	68,939	42,015
Total funds carried forward	<u>73,305</u>	<u>68,939</u>
Represented by:		
Restricted funds	18,307	-
Unrestricted funds	<u>54,998</u>	<u>68,939</u>
	<u>73,305</u>	<u>68,939</u>

Notes to the Financial Statements
For the 6 Month Period 1 October 2020 to 31 March 2021

17 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS**2021**

	Restricted Funds £	Unrestricted Funds £	Total £
Group			
Tangible fixed assets	-	538,508	538,508
Current assets	40,814	721,259	762,073
Creditors due within one year	(22,507)	(631,642)	(654,149)
Pension deficit	-	(569,000)	(569,000)
Net assets	<u>18,307</u>	<u>59,125</u>	<u>77,432</u>
Company			
Tangible fixed assets	-	538,508	538,508
Investments	-	100	100
Current assets	40,814	659,750	700,564
Creditors due within one year	(22,507)	(574,360)	(596,867)
Pension deficit	-	(569,000)	(569,000)
Net assets	<u>18,307</u>	<u>54,998</u>	<u>73,305</u>

2020

	Restricted Funds £	Unrestricted Funds £	Total £
Group			
Tangible fixed assets	-	542,508	542,508
Current assets	27,577	776,588	804,165
Creditors due within one year	(27,577)	(679,867)	(707,444)
Pension deficit	-	(569,000)	(569,000)
Net assets	<u>-</u>	<u>70,229</u>	<u>70,229</u>
Company			
Tangible fixed assets	-	542,508	542,508
Investments	-	100	100
Current assets	27,577	751,557	779,134
Creditors due within one year	(27,577)	(656,226)	(683,803)
Pension deficit	-	(569,000)	(569,000)
Net assets	<u>-</u>	<u>68,939</u>	<u>68,939</u>

The Leeds Groundwork Trust

Notes to the Financial Statements
For the 6 Month Period 1 October 2020 to 31 March 2021

18 MOVEMENTS IN FUNDS

2021	Opening Balance	Incoming Resources	Outgoing Resources	Transfers & Gains/losses	Closing Balance
	£	£	£	£	£
Restricted general funds					
Community projects	-	290,226	(271,919)	-	18,307
Land projects	-	-	-	-	-
	<u>-</u>	<u>290,226</u>	<u>(271,919)</u>	<u>-</u>	<u>18,307</u>
Unrestricted funds					
General fund	96,721	285,111	(292,215)	-	89,617
Pension reserve	(569,000)	-	-	-	(569,000)
Fixed assets	182,329	-	(4,000)	1,266	179,595
Revaluation reserve	360,179	-	-	(1,266)	358,913
	<u>70,229</u>	<u>285,111</u>	<u>(296,215)</u>	<u>-</u>	<u>59,125</u>
Total funds	<u>70,229</u>	<u>575,337</u>	<u>(568,134)</u>	<u>-</u>	<u>77,432</u>

2020	Opening Balance	Incoming Resources	Outgoing Resources	Transfers & Gains/losses	Closing Balance
	£	£	£	£	£
Restricted general funds					
Community projects	-	972,682	(972,682)	-	-
Land projects	-	-	-	-	-
	<u>-</u>	<u>972,682</u>	<u>(972,682)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General fund	54,094	1,436,097	(1,393,470)	-	96,721
Pension reserve	(569,000)	-	-	-	(569,000)
Fixed assets	199,033	-	(21,894)	5,190	182,329
Revaluation reserve	365,369	-	-	(5,190)	360,179
	<u>49,496</u>	<u>1,436,097</u>	<u>(1,415,364)</u>	<u>-</u>	<u>70,229</u>
Total funds	<u>49,496</u>	<u>2,408,779</u>	<u>(2,388,046)</u>	<u>-</u>	<u>70,229</u>

Unrestricted funds are the retained surpluses of the group and are available to be used for any purpose specified within the trust's objectives and are the only funds that are available for use at the discretion of the trustees.

Restricted funds represent unspent balances on grants received for specific projects. The restrictions are generally imposed by the funding body and often include the type of expenditure allowed and geographical area of project and the activity to be supported.

Notes to the Financial Statements
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19 RELATED PARTY TRANSACTIONS

The Federation of Groundwork Trusts and Leeds City Council are the members of the trust. The Federation of Groundwork Trusts is also a member of Groundwork North Yorkshire and of Groundwork Yorkshire Limited, which has a subsidiary undertakings Job Match (UK) Limited, Groundwork Pride Limited and Whitwood Golf Club Limited.

During the year in the ordinary course of business, the group entered into transactions with the above as follows.

	31.03.21	30.09.20
	£	£
Incoming resources recognised		
Leeds City Council	217,699	1,194,694
The Federation of Groundwork Trusts	20,070	187,397
Groundwork North Yorkshire	1,800	10,584
Groundwork Yorkshire Limited	38,879	28,704
Job Match (UK) Limited	-	-
Groundwork Pride Limited	2,594	14,730
Whitwood Golf Club Limited	-	272
Resources expended		
Leeds City Council	2,123	181,454
The Federation of Groundwork Trusts	9,000	12,222
Groundwork North Yorkshire	7,260	34,002
Groundwork Yorkshire Limited	74,388	290,222
Job Match (UK) Limited	2,252	15,395
Groundwork Pride Limited	22,865	165,798
Whitwood Golf Club Limited	-	-
Debtors		
Leeds City Council	11,858	50,744
The Federation of Groundwork Trusts	7,950	55,408
Groundwork North Yorkshire	-	360
Groundwork Yorkshire Limited	313,750	439,436
Job Match (UK) Limited	-	-
Groundwork Pride Limited	-	4,341
Whitwood Golf Club Limited	-	-
Creditors		
Leeds City Council	-	85,372
The Federation of Groundwork Trusts	40,000	44,729
Groundwork North Yorkshire	-	5,475
Groundwork Yorkshire Limited	-	-
Job Match (UK) Limited	-	1
Groundwork Pride Limited	6,080	18,096
Whitwood Golf Club Limited	-	-

20 LEGAL FORM

The charity is a private company limited by guarantee and incorporated in England and Wales. Its registered office and principal place of business is Environment & Business Centre, Merlyn Rees Avenue, Morley, Leeds, LS27 9SL
The charity provides community led environmental improvements and training opportunities.