

Company registration number: 2501792

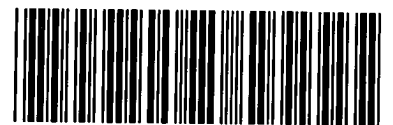
Charity registration number: 1006811

GROUNDWORK CAERPHILLY
(A company limited by guarantee)

**GROUP REPORT OF THE TRUSTEES &
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

MHA Broomfield Alexander
Chartered Accountants & Statutory Auditors
Tŷ Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

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**GROUNDWORK CAERPHILLY
FOR THE YEAR ENDED 31 MARCH 2018**

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**GROUNDWORK CAERPHILLY
GROUP REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

The trustees present their report and consolidated accounts of the charity and its subsidiary for the year ended 31 March 2018

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)" (as amended for accounting periods commencing from 1 January 2016).

The trust is a registered charity and a company limited by guarantee and is governed by its Articles of Association.

Groundwork is a leading UK wide environmental partnership organisation which consists of the UK Federation of over 30 independent trusts, which form part of the national Groundwork network, supported by Groundwork UK.

Groundwork Caerphilly merged with Groundwork Wales in February 2015. Groundwork Wales is the national charity which delivers work across Wales, and delivers programmes within Caerphilly and its surrounding areas, as well as holding the assets and reserves and operating a subsidiary trading company.

Groundwork's national network vision is '*the kind of world we want to see*' - a society of sustainable communities which are vibrant, healthy and safe and which respect the local and global environment and where individuals and enterprise prosper.

Groundwork's national mission is '*our role in making the vision a reality*' - to transform lives and places in communities in need in the UK.

OBJECTIVES AND ACTIVITIES

Vision

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

Our purpose is to build sustainable communities in areas of need through joint environmental action.

Our values are:

- equality and diversity
- innovation and learning
- subsidiarity
- integrity and professionalism
- partnership
- sustainability

Our vision, purpose and values are underpinned by the principles of sustainable development.

We review our aims, objectives and activities each year. This review looks at what we have 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 set up to help. The review also helps us to ensure our aim, objectives and activities remain focused on our stated purpose.

**GROUNDWORK CAERPHILLY
GROUP REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and purposes and in planning our future activities. In particular, the trustees consider planned activities and will contribute to the aims and purposes they have set.

The Focus of our work

Our main objective for the year was to continue to run Ty Mynyddislwyn Environment Centre, and through our subsidiary (which from 1 January 2018 is run by Groundwork Caerphilly solely) to provide reusable furniture to people in need, work placements, training and support, as well as reduce items to landfill.

How the activities deliver public benefit

Our main objective and who we try to help are described above. All our charitable activities focus on social, environmental and economic regeneration and are undertaken to further our charitable purposes for public benefit.

ACHIEVEMENTS AND PERFORMANCE

Who used and benefited from our services?

Further information about who benefits directly from our services is explained in the analysis of performance and achievements below.

The main areas of charitable activity are the provision of community development, physical activity, environmental regeneration, employability and volunteering programmes. These activities and the achievements that flow from our work are described within this report.

Strategic overview:

The development of national, regional and local strategies in Wales delivered through broad-based strategic partnerships, a changing relationship between the public sector and the voluntary and community sectors, and the economic recession, present challenges and opportunities.

Organisation:

Our staffing resource has been structured to meet the needs of our programme delivery and core skills required to operate effectively and efficiently within the group. All staff are now housed within Groundwork Wales.

Programmes:

We have continued to run Ty Mynyddislwyn Environment Centre to provide facilities for local communities as well as Groundwork Wales programmes.

Full detailed information of the programmes operated by Groundwork within the group of companies of Groundwork Caerphilly and Groundwork Wales can be obtained by viewing the accounts for Groundwork Wales (Company Number 3577896/Charity Number 1096662.)

FINANCIAL REVIEW

The charity reported a net surplus of £123,900 (2017: £486,942 deficit). The Charity and Trading Company reported an overall net surplus of £94,722 (2017: £485,695 deficit).

**GROUNDWORK CAERPHILLY
GROUP REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

Unrestricted reserves at 31 March 2018 for the group were £135,479 (2017: £41,517) with £19,740 invested in fixed assets and £50,000 being designated for future maintenance costs to the Ty Mynyddislwyn premises. Restricted reserves were £139,507 (2017: £138,747) with £136,872 in fixed assets.

Principal funding sources

The principal sources of funding for the charity as a group (including Groundwork Wales) with Groundwork Wales (Company Number 3577896) during 2017/18 included funding from Caerphilly County Borough Council, rental income from a number of organisations and income from our Furniture Revival shop. The group is developing new and existing partnerships to seek funding from a much broader group of agencies and involve more organisations and partners to provide opportunities for a much wider range of funding in the future. We are working strategically and operationally to build partnerships across Wales. New programmes are being bid for by Groundwork Wales.

Reserves policy

Reserves are required to:-

- Fund working capital
- Fund income shortfalls
- Develop new functions/projects
- Underpin long term commitments
- Fund unexpected expenditure arising out of, for example, project deficits, unplanned events, emergencies

The trustees consider that a level of free reserves sufficient to sustain the costs of the trust for 3 months is needed, which for the year to 31 March 2018 is budgeted at £40,779 for Groundwork Caerphilly. The actual level of free reserves for Groundwork Caerphilly, excluding restricted funds, fixed assets and designated funds at 31 March 2018 is £65,739.

The group has taken further steps to increase reserves by increasing business development, ensuring robust overhead recovery written into bids and developing more commission/contract work

Reserves will be monitored and reviewed throughout the year.

Fund by fund analysis of availability of assets

The Board of Trustees has reviewed the reserves of the charity. The review encompassed the nature of the income and expenditure streams and the need to fulfil future commitments.

Investment policy

The trust does not hold any investments.

REVIEW OF BUSINESS AND PLANS FOR FUTURE PERIODS

All new business is being developed by Groundwork Wales. The group has continued to further develop and consolidate its strategic role in partnership with the Welsh Government, Local Authorities, local communities, and voluntary and private sectors in order to bring about sustainable environmental improvements related to local needs and opportunities.

**GROUNDWORK CAERPHILLY
GROUP REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, incorporated as a company on 14 May 1990 and registered as a charity (charity no. 1006811) with the Charity Commission on 13 December 1991. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Members of the Board of Trustees

The Board of Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 6.

Recruitment and appointment of Board of Trustees

The trustees of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Board of Trustees. Under the requirements of the Memorandum and Articles of Association the members of the Board of Trustees are elected to serve a period of three years, after which they must be re-elected at the next Annual General Meeting.

All members of the Board of Trustees give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

The charity's work inevitably focuses upon environmental regeneration and community development. The Board of Trustees seek to ensure that the needs of the board are appropriately reflected through the diversity of the trustee body. To enhance the potential pool of trustees the charity has networked with local organisations who would be willing to become Board Members of the trust and use their experience to assist the charity.

Trustees induction and training

Board Members are familiar with the work of the charity and are invited to attend any project launches and events that are held throughout the year. Governance training is offered to Board Members throughout their term of membership.

Additionally, new board members are invited and encouraged to attend an induction programme consisting of short informal meetings, project visits and formal training to familiarise themselves with the charity and the context in which it operates. They are jointly led by the Chair of the Board of Trustees and the Chief Executive and cover:

- The obligations of the Board of Trustees
- The main documents which set out the operational framework of the charity including the Memorandum and Articles
- Resourcing and current financial position as set out in the latest published accounts
- Future plans and objectives

Trustees are also given a copy of the Charity Commission's guide the 'Essential Trustee' with the initial information and with the above documents as part of their induction programme. They are supplied with updated publications as appropriate and information in connection with the running of the trust, such as a management overview, programmes update, people management and quality. Financial management accounts are circulated in advance of each board meeting which are held on a quarterly basis.

**GROUNDWORK CAERPHILLY
GROUP REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

Risk management

The Board of Trustees has assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the organisation and are satisfied that systems are in place to mitigate exposure to any major risks. The risk register is reviewed on a quarterly basis. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of all staff, volunteers, clients and visitors to the trust and quarterly Health and Safety Committee meetings are convened, including staff and board representatives. All procedures are periodically reviewed to ensure that they continue to meet legal requirements and the needs of the charity. Refer to Groundwork Wales Risk Management.

Organisational structure

Groundwork Caerphilly is allowed a Board of Trustees of up to 17 members which meets quarterly and is responsible for the strategic direction and policy of the charity. At present the board has 4 co-opted trustees from a variety of professional backgrounds relevant to the work of the charity. The trust's Chief Executive attends all board meetings but has no voting rights.

A scheme of delegation is in place and day to day responsibility for the provision of services rests with the group Chief Executive along with the support of the services of the management team. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance objectives are met. The support of the management team ensures that business development, operational management, individual supervision of staff and that the team continues to develop its skills and working practices in line with good practice.

Related parties

In so far as it is complimentary to the charity's objects, the charity is guided by local, regional and national policy. Groundwork Caerphilly, through Groundwork Wales is still committed to the Caerphilly Community Strategy by working with the local authority and other voluntary sector organisations as well as continuing current operations within the Caerphilly County Borough and developing new work.

Auditors

MHA Broomfield Alexander were appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

**GROUNDWORK CAERPHILLY
GROUP REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

REFERENCE AND ADMINISTRATIVE DETAILS

Company registration number	2501792	
Charity registration number	1006811	
Registered office	Mynyddislwyn Offices Bryn Road Pontllanfraith Blackwood Gwent NP12 2BH	
Chairman	Mr B Davies MBE	
Other board members	Mr P Gaskell Councillor C Mann Ms Valerie Steel	- appointed 4 June 2018
Board advisors	Mr Robert Cooke	- resigned 21 June 2017
Group Executive director	Ms K Stevenson	
Bankers	HSBC Plc High Street Newbridge	
Auditors	MHA Broomfield Alexander Chartered Accountants & Statutory Auditors Tŷ Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB	

**GROUNDWORK CAERPHILLY
GROUP REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2018**

RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The trustees (who are also directors of Groundwork Caerphilly for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with 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).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

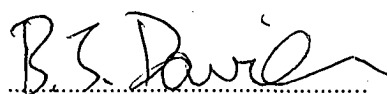
The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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.

Approved by the Board of Trustees on 26th October 18 and signed on its behalf by:

 MBE
B Davies MBE (Chairman)

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF GROUNDWORK CAERPHILLY
FOR THE YEAR ENDED 31 MARCH 2018**

Opinion

We have audited the financial statements of Groundwork Caerphilly (the “parent charity”) for the year ended 31 March 2018 which comprise the group statement of financial activities, the group and charity Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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 group and parent charity’s affairs as at 31 March 2018 and of the group and charity’s income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 group and the parent charity’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.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF GROUNDWORK CAERPHILLY
FOR THE YEAR ENDED 31 MARCH 2018**

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 auditor's 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 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;
- the financial statements are not in agreement with the accounting records and returns;
- we have not obtained all the information and explanations necessary for the purposes of our audit;
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees 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 they 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 group and parent charity'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 group and parent charity or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF GROUNDWORK CAERPHILLY
FOR THE YEAR ENDED 31 MARCH 2018**

Our responsibilities for the audit of the financial statements

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [\[www.frc.org.uk/auditorsresponsibilities\]](http://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 group and parent charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the group and parent charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Broomfield Alexander

MHA Broomfield Alexander
Chartered Accountants & Statutory Auditors
Tŷ Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Dated: *29 October 2018*

MHA Broomfield Alexander is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

GROUNDWORK CAERPHILLY
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Income and endowments from:					
Charitable activities	3	112,796	10,689	123,485	324,792
Other trading activities	4,15	134,270	-	134,270	207,312
Investment income	5	82	-	82	-
Total income and endowments		247,148	10,689	257,837	532,104
Expenditure on:					
Charitable activities	7	12,682	9,929	22,611	379,282
Other trading activities	8/15	140,504	-	140,504	203,016
Other	9	-	-	-	435,500
Total expenditure		153,186	9,929	163,115	1,017,798
Net movement in funds	12	93,962	760	94,722	(485,694)
Reconciliation of Funds					
Total funds brought forward	20,21	41,517	138,747	180,264	665,958
Total funds carried forward	23	135,479	139,507	274,986	180,264

All of the net incoming/(outgoing) resources are from continuing activities.

The company has no recognised gains or losses other than the above.

The notes on pages 15 to 36 form part of the financial statements

GROUNDWORK CAERPHILLY
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

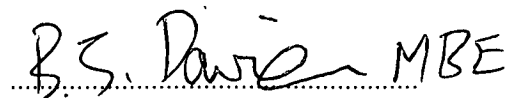
		2018		2017	
	Note	£	£	£	£
Fixed assets:					
Tangible assets	14		156,612		174,677
Current assets:					
Stock		1,770		1,500	
Debtors	16	44,491		643,858	
Cash at bank and in hand		333,945		166,857	
		<u>380,206</u>		<u>812,215</u>	
Liabilities:					
Creditors: Amounts falling due within one year	17	<u>(261,832)</u>		<u>(806,628)</u>	
Net current assets			118,374		5,587
Net assets			<u>274,986</u>		<u>180,264</u>
The funds of the charity:					
Restricted income funds	20		139,507		138,747
Unrestricted income funds	21				
General funds		85,479		41,517	
Designated funds	22	<u>50,000</u>		<u>-</u>	
			135,479		41,517
Total charity funds	23		<u>274,986</u>		<u>180,264</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

For the financial year ended 31 March 2018, the company was entitled to exemption from audit under the Companies Act 2006, s. 477 relating to small companies and the members have not required the company to obtain an audit of its accounts for the year in question in accordance with s. 476. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors on 20th October 2018 and signed on its behalf.

 MBE

Mr B Davies MBE - Director

The notes on pages 15 to 36 form part of the financial statements

GROUNDWORK CAERPHILLY
CHARITY BALANCE SHEET AS AT 31 MARCH 2018

		2018		2017	
	Note	£	£	£	£
Fixed assets:					
Tangible assets	14		156,612		157,429
Investments	15		100		100
			<u>156,712</u>		<u>157,529</u>
Current assets:					
Stock		1,770		-	
Debtors	16	44,491		617,883	
Cash at bank and in hand		333,945		104,526	
		<u>380,206</u>		<u>722,409</u>	
Liabilities:					
Creditors: Amounts falling due within one year	17	(261,832)		(753,793)	
Net current assets /(liabilities)			118,374		(31,384)
Debtors due in more than one year	16		-		28,604
Net assets			<u>275,086</u>		<u>154,749</u>
The funds of the charity:					
Restricted income funds	20		139,507		138,747
Unrestricted income funds	21				
General funds		85,579		16,002	
Designated funds	22	50,000		-	
			<u>135,579</u>		<u>16,002</u>
Total charity funds	23		<u>275,086</u>		<u>154,749</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

For the financial year ended 31 March 2018, the company was entitled to exemption from audit under the Companies Act 2006, s. 477 relating to small companies and the members have not required the company to obtain an audit of its accounts for the year in question in accordance with s. 476. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements were approved by the board of directors on 26th October 2018 and signed on its behalf.

 MBE
Mr B Davies MBE – Director

The notes on pages 15 to 36 form part of the financial statements

GROUNDWORK CAERPHILLY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

Group	Note	2018 £	2017 £
Net cash provided by operating activities	29	<u>167,356</u>	<u>44,383</u>
<i>Cash flows from investing activities:</i>			
Dividends, interest and rents from investments		82	-
Purchase of property plant and equipment		<u>(350)</u>	<u>(3,606)</u>
Net cash (used in) investing activities		<u>(268)</u>	<u>(3,606)</u>
Change in cash and cash equivalents in the reporting period		167,088	40,777
Cash and cash equivalents at the beginning of the reporting period		166,857	126,080
Cash and cash equivalents at the end of the reporting period	29	<u>333,945</u>	<u>166,857</u>

The notes on pages 15 to 36 form part of the financial statements

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

No separate cash flow statement has been presented for the charity itself as the charity has taken advantage of the exemptions in paragraph 1.12 of FRS 102.

Rounding

Figures contained in the financial statements have been rounded to the nearest pound.

Presentation of the accounts on a going concern basis

The group reported an unrestricted net inflow of £93,962 for the year. The charity reported a net unrestricted inflow of £119,577 for the year. The charity has sufficient free reserves and is monitoring results on a frequent basis. The trustees are of the view that on this basis the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

Basis of consolidation

The financial statements represent the consolidated financial position of the group. This comprises Groundwork Caerphilly and GC Enterprises (Wales) Limited. There were no amounts outstanding during the current or previous year. Groundwork Caerphilly is a member of Groundwork Wales and Groundwork Caerphilly own 100% of the share capital of GC Enterprises (Wales) Limited.

The financial statements are consolidated on a line-by-line basis and cover the consolidated financial position and transactions of all companies controlled by the charity from the date of acquisition. All intra group transactions are eliminated on consolidation.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the trust's general objectives.

Restricted funds are funds subject to specific restrictive conditions imposed by the terms of the grant or funding body.

Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (Continued)

Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income and grants are included in incoming resources when receivable, except as follows:-

- When donors specify that the grants must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- When donors specify that grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Allocation of expenditure

Expenditure incurred by the charity in the year has been split between restricted and unrestricted funds. Costs have been analysed between direct charitable expenditure, fundraising and publicity and the administration and management of the charity. Expenditure relating directly to a cost category has been charged to that account. Expenditure, which includes more than one cost category, has been apportioned on a reasonable, justifiable and consistent basis to the categories involved. Committed expenditure that has yet to be invoiced is, in line with best accounting practice, not recognised in these accounts. It is intended that such expenditure will be funded by future income flows.

Charitable activities

This includes all expenditure directly related to the aims of the charity as follows:

- To promote the conservation, protection and improvement of the physical and natural environment.
- 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, working and visiting in the area.
- To advance public education in environmental matters and in the ways of better conserving, protecting and improving the environment.

Governance costs

These costs include the costs of governance arrangements, which relate to the general running of Groundwork Caerphilly as opposed to the direct management functions inherent in generating funds, service delivery and programme of project work. These include such items as external audit, legal advice for trustees and costs associated with constitutional and statutory requirements.

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (Continued)

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.

Expenditure has been allocated to management and administration of the trust, where it relates to the management of the trust's assets, organisational administration and compliance with constitutional and statutory requirements.

Resources expended are recognised in the period in which they are incurred.

Tangible fixed assets

Fixed assets are capitalised at cost. Depreciation is calculated so that the cost of tangible assets or valuation less any residual value is written off over their estimated useful lives on the following basis:-

Computers	33.33% on cost
Office equipment	20% on cost
Plant and machinery	20% on cost
Land & buildings	2.5% on cost

Investments

Investments relate to 100% of the share capital of the charity's wholly owned trading subsidiary and are recognised at cost less provision for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price after taking into account all further costs and excess stocks that are slow moving.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (Continued)

are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Pensions

The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the charity. Contributions payable are charged to the profit and loss account in the year they are payable and are charged against both restricted and unrestricted funds.

Taxation

As a registered charity, Groundwork Caerphilly is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

Capital grants received

Grants that relate to capital expenditure on specific projects are treated as restricted funds that are charged to the income and expenditure account at acquisition. This treatment is due to the nature of the funding as the grants are received to provide equipment to specifically run the projects and services.

Operating lease costs

The rentals under operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged against profit as incurred.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

3. INCOME FROM CHARITABLE ACTIVITIES

<u>Group</u>	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
<i>Income was received for:</i>				
People	11,886	-	11,886	71,911
Places	3,730	10,689	14,419	55,666
Prosperity	57,761	-	57,761	160,665
Partnership	5,718	-	5,718	36,550
Furniture revival	33,701	-	33,701	-
	<u>112,796</u>	<u>10,689</u>	<u>123,485</u>	<u>324,792</u>

Income from charitable activities was provided by:

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Welsh government	-	-	-	4,783
Public agencies and national charities	36,950	10,689	47,639	185,386
Local authority	21,676	-	21,676	19,041
Private sector	54,170	-	54,170	115,582
	<u>112,796</u>	<u>10,689</u>	<u>123,485</u>	<u>324,792</u>

<u>Charity</u>	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
<i>Income was received for:</i>				
People	11,886	-	11,886	71,988
Places	3,730	10,689	14,419	55,666
Prosperity	57,761	-	57,761	160,665
Partnership	5,718	-	5,718	36,550
Furniture revival	52,839	-	52,839	-
	<u>131,934</u>	<u>10,689</u>	<u>142,623</u>	<u>324,869</u>

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Welsh government	-	-	-	4,783
Public agencies and national charities	36,950	10,689	47,639	185,387
Local authority	21,676	-	21,676	19,041
Private sector	73,308	-	73,308	115,658
	<u>131,934</u>	<u>10,689</u>	<u>142,623</u>	<u>324,869</u>

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Group</u>				
Trading company income*	134,270	-	134,270	207,312
	<u>134,270</u>	<u>-</u>	<u>134,270</u>	<u>207,312</u>

*Intercompany transactions have been eliminated on consolidation.

5. INCOME FROM INVESTMENTS

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Group and charity</u>				
Bank interest	82	-	82	-
Loan interest	-	-	-	371
	<u>82</u>	<u>-</u>	<u>82</u>	<u>371</u>

6. OTHER INCOME

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Charity</u>				
Transfer of funds from GC Enterprises Limited	18,861	-	18,861	-
	<u>18,861</u>	<u>-</u>	<u>18,861</u>	<u>-</u>

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

7. EXPENDITURE ON CHARITABLE ACTIVITIES

<u>Group</u>	Total 2018 £	Total 2017 £
Direct costs		
Staff costs	28,386	97,475
Volunteer costs	466	3,422
Materials and direct purchases	25,461	169,120
Subcontractors and consultancy	469	11,146
Training and recruitment	2,924	3,756
Project travel and transport	1,203	30,601
Project publicity	256	408
Other costs	-	646
Depreciation	1,210	1,210
	60,375	317,784
Support costs		
Provisions written back	(107,987)	-
Premises expenses	26,975	31,082
Depreciation	10,192	6,284
Motor and travel expenses	10,570	363
Legal and professional	-	48
Communications and IT, and equipment	7,092	7,015
Administration and sundry	9,044	11,906
Governance	6,350	4,800
	(37,764)	61,498
TOTAL	22,611	379,282
Analysed between:		
Unrestricted	12,682	303,236
Restricted	9,929	76,046
	22,611	379,282

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

<u>Charity</u>	Total 2018 £	Total 2017 £
Direct costs		
Staff costs	28,386	97,475
Volunteer costs	466	3,422
Materials and direct purchases	25,217	169,120
Subcontractors and consultancy	469	11,146
Training and recruitment	2,924	3,756
Project travel and transport	1,203	30,601
Project publicity	256	408
Other costs	-	646
Depreciation	1,210	1,210
	60,131	317,784
Support costs		
Provisions written back	(107,987)	-
Premises expenses	26,975	31,082
Depreciation	10,192	6,284
Motor and travel expenses	10,572	363
Legal and professional	-	48
Communications and IT, and equipment	7,092	7,015
Administration and sundry	9,044	11,906
Governance	6,350	4,800
	(37,762)	61,498
TOTAL	22,369	379,282
<i>Analysed between:</i>		
Unrestricted	12,440	303,236
Restricted	9,929	76,046
	22,369	379,282

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Group

<i>Expenditure: (including governance costs)</i>	Unrestricted funds £	Restricted Funds £	Total 2018 £	Total 2017 £
People	2,201	1,875	4,076	252,900
Places	1,364	8,054	9,418	15,336
Prosperity	21,490	-	21,490	57,477
Partnership	63,978	-	63,978	53,569
Furniture revival	31,636	-	31,636	-
Other	(107,987)	-	(107,987)	-
	<u>12,682</u>	<u>9,929</u>	<u>22,611</u>	<u>379,282</u>

***Expenditure on projects including
governance costs comprised:***

	Direct cost of activities £	Support costs and governance £	Total 2018 £	Total 2017 £
People	3,804	272	4,076	252,900
Places	9,418	-	9,418	15,336
Prosperity	14,680	6,810	21,490	57,477
Partnerships	5,033	58,945	63,978	53,569
Furniture revival	27,440	4,196	31,636	-
Other	-	(107,987)	(107,987)	-
	<u>60,375</u>	<u>(37,764)</u>	<u>22,611</u>	<u>379,282</u>

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Charity

<i>Expenditure: (including governance costs)</i>	Unrestricted funds £	Restricted Funds £	Total 2018 £	Total 2017 £
People	2,201	1,875	4,076	252,900
Places	1,364	8,054	9,418	15,336
Prosperity	21,490	-	21,490	57,477
Partnership	63,978	-	63,978	53,569
Furniture revival	31,394	-	31,394	-
Other	(107,987)	-	(107,987)	-
	<u>12,440</u>	<u>9,929</u>	<u>22,369</u>	<u>379,282</u>

<i>Expenditure on projects including governance costs comprised:</i>	Direct cost of activities £	Support costs and governance £	Total 2018 £	Total 2017 £
People	3,804	272	4,076	252,900
Places	9,418	-	9,418	15,336
Prosperity	14,680	6,810	21,490	57,477
Partnerships	5,033	58,945	63,978	53,569
Furniture revival	27,196	4,198	31,394	-
Other	-	(107,987)	(107,987)	-
	<u>60,131</u>	<u>(37,762)</u>	<u>22,369</u>	<u>379,282</u>

8. EXPENDITURE ON OTHER TRADING ACTIVITIES

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Trading company costs*	140,504	-	140,504	203,016
	<u>140,504</u>	<u>-</u>	<u>140,504</u>	<u>203,016</u>

*Intercompany transactions have been eliminated on consolidation.

9. OTHER EXPENDITURE

<u>Group and Charity</u>	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Donation to Groundwork Wales	-	-	-	435,500
	<u>-</u>	<u>-</u>	<u>-</u>	<u>435,500</u>

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

10. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

<u>Group</u>	2018 Total £	2017 Total £
Salaries and wages	126,686	199,846
Social security costs	5,859	12,073
Staff pension costs	392	3,317
	<u>132,937</u>	<u>215,236</u>

<u>Charity</u>	2018 Total £	2017 Total £
Salaries and wages	26,236	83,582
Social security costs	934	6,191
Staff pension costs	392	3,317
	<u>27,562</u>	<u>93,090</u>

No employees had employee benefits in excess of £60,000.

No trustees received remuneration or expenses during the current or previous year.

Key Management Personnel

The key management personnel of the charity are as detailed in the Trustees Report. The total employee benefits (including gross salary, employer's national insurance, pension and benefits in kind) of the key management personnel of the charity were £nil (2017: £nil). The group executive director, who forms the key management personnel, is paid by Groundwork Wales, the parent company.

11. STAFF NUMBERS

The average number of employees during the year, analysed by category was as follows

<u>Group</u>	2018 No.	2017 No.
Direct charitable	21	20
Management and administration of the charity	1	1
	<u>22</u>	<u>21</u>

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

11. STAFF NUMBERS (continued)

	2018	2017
<u>Group</u>	No.	No.
Direct charitable	9	9
Management and administration of the charity	1	1
	<u>10</u>	<u>10</u>

12. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2018	2017
<u>Group</u>	£	£
Auditors remuneration	6,350	7,225
Depreciation of owned fixed assets	<u>18,415</u>	<u>17,422</u>
	2018	2017
<u>Charity</u>	£	£
Auditors remuneration	6,350	7,225
Depreciation of owned fixed assets	<u>11,402</u>	<u>17,422</u>

13. SURPLUS/(DEFICIT) OF THE PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income and expenditure of the parent company is not presented as part of these financial statements. The parent company's surplus for the financial period was £120,337 (2017: deficit £486,942).

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

14. TANGIBLE FIXED ASSETS

<u>Group</u>	Plant and machinery £	Motor vehicles £	Buildings £	Total £
Cost				
At 1 April 2017	194,487	59,672	150,000	404,159
Additions	350	-	-	350
Disposals	(89,252)	-	-	(89,252)
At 31 March 2018	<u>105,585</u>	<u>59,672</u>	<u>150,000</u>	<u>315,257</u>
Depreciation				
At 1 April 2017	177,713	40,519	11,250	229,482
Charge for year	5,227	11,313	1,875	18,415
Disposals	(89,252)	-	-	(89,252)
At 31 March 2018	<u>93,688</u>	<u>51,832</u>	<u>13,125</u>	<u>158,645</u>
Net book value				
31 March 2018	<u>11,897</u>	<u>7,840</u>	<u>136,875</u>	<u>156,612</u>
31 March 2017	<u>16,774</u>	<u>19,153</u>	<u>138,750</u>	<u>174,677</u>
 <u>Charity</u>	 Plant and machinery £	 Motor vehicles £	 Buildings £	 Total £
Cost				
At 1 April 2017	179,933	24,687	150,000	354,620
Disposals	(89,252)	-	-	(89,252)
Transfer from trading subsidiary	6,654	3,931	-	10,585
At 31 March 2018	<u>97,335</u>	<u>28,618</u>	<u>150,000</u>	<u>275,953</u>
Depreciation				
At 1 April 2017	171,896	14,045	11,250	197,191
Charge for year	2,794	6,733	1,875	11,402
Disposals	(89,252)	-	-	(89,252)
At 31 March 2018	<u>85,438</u>	<u>20,778</u>	<u>13,125</u>	<u>119,341</u>
Net book value				
31 March 2018	<u>11,897</u>	<u>7,840</u>	<u>136,875</u>	<u>156,612</u>
31 March 2017	<u>8,037</u>	<u>10,642</u>	<u>138,750</u>	<u>157,429</u>

Land and buildings with a carrying amount of £136,875 (2017: £138,750) have been pledged to secure borrowings of the charity. The charity is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

15. TRADING SUBSIDIARY – G C ENTERPRISES (WALES) LIMITED

The charity holds the entire issued share capital of 100 ordinary shares of £1 each in GC Enterprises (Wales) Limited, a company incorporated in England and Wales (Company Number 06296414). GC Enterprises (Wales) Limited provides collection, repair as necessary and appropriate testing of white goods and donated re-usable furniture for sale to people on benefits and low incomes.

A summary of the trading results is shown below.

	2018 £	2017 £
<u>Profit and Loss Account</u>		
Turnover	133,391	207,312
Cost of sales	<u>(129,497)</u>	<u>(168,686)</u>
Gross profit	3,894	38,626
Administrative expenses	(11,284)	(34,406)
Loan interest paid to Groundwork Caerphilly	636	(371)
(Loss)/profit for the financial year	<u>(6,754)</u>	<u>3,849</u>

Statement of changes in Equity

Balance brought forward	25,615	21,766
(Loss) for the period	(6,754)	3,849
Distributions to parent charity under gift aid	<u>(18,861)</u>	<u>-</u>
Balance carried forward	<u>-</u>	<u>25,615</u>

Balance Sheet

Fixed assets	-	17,248
Stock	-	1,500
Current assets	-	108,311
Current liabilities	-	(72,840)
Creditors due after more than 1 year	<u>-</u>	<u>(28,604)</u>
Total assets less liabilities	<u>-</u>	<u>25,615</u>

Reserves

Share capital	100	100
Profit and loss reserve	<u>(100)</u>	<u>25,515</u>
	<u>-</u>	<u>25,615</u>

The company ceased trading on 1 January 2018 and remains dormant.

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

16. DEBTORS

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Amounts due within one year:				
Trade debtors	32,283	106,375	32,283	91,618
Amounts due from group entities	-	495,434	-	500,891
Prepayments	12,208	36,749	12,208	23,038
Other debtors	-	5,300	-	2,336
	<u>44,491</u>	<u>643,858</u>	<u>44,491</u>	<u>617,883</u>

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Amounts due after one year:				
Amounts due from group entities	-	-	-	28,604
	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,604</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	8,803	14,771	8,803	10,165
Amounts owed to group entities	205,450	581,745	205,450	584,208
Accruals and deferred income	45,969	130,403	45,969	83,672
PAYE and social security	1,610	14,053	1,610	10,800
VAT	-	65,656	-	64,948
	<u>261,832</u>	<u>806,628</u>	<u>261,832</u>	<u>753,793</u>

Deferred Income

Contained in the accruals and deferred income above is deferred income in relation to performance related grants which relates to the 2018/19 financial year.

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Balance brought forward	67,233	81,801	51,377	58,935
Income received in the year	74,649	310,224	109,643	317,311
Released to income	(123,485)	(324,792)	(142,623)	(324,869)
Balance carried forward	<u>18,397</u>	<u>67,233</u>	<u>18,397</u>	<u>51,377</u>

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

18. FINANCIAL INSTRUMENTS

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	366,228	773,966	366,228	727,975
Carrying amount of financial liabilities				
Measured at amortised cost	<u>241,825</u>	<u>659,686</u>	<u>241,825</u>	<u>626,668</u>

19. ANNUAL COMMITMENTS UNDER NON CANCELLABLE OPERATING LEASES ARE AS FOLLOWS:

	Other	
	2018	2017
	£	£
<u>Group and charity</u>		
Due within 1 year	1,656	4,925
Due within 2-5 years	<u>5,667</u>	<u>-</u>
	<u>7,323</u>	<u>4,925</u>

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

20. RESTRICTED FUNDS

	At 1 April 2017 £	Income £	Expenditure £	At 31 March 2018 £
<u>Group and charity</u>				
CAT project	138,747	-	(1,875)	136,872
Healthy rivers	-	10,689	(8,054)	2,635
	<u>138,747</u>	<u>10,689</u>	<u>(9,929)</u>	<u>139,507</u>

CAT project – Grant received for the purchase of the property at Mynydd Islwyn.

Healthy rivers - Grant to support the clean up of rivers.

Previous year

	At 1 April 2016 £	Income £	Expenditure £	At 31 March 2017 £
<u>Group and charity</u>				
Bridges to work	-	1,867	(1,867)	-
CAT project	140,622	-	(1,875)	138,747
Greencare	-	13,469	(13,469)	-
Healthy rivers	-	53,569	(53,569)	-
Welsh Government	-	4,540	(4,540)	-
Youth environment	726	-	(726)	-
	<u>141,348</u>	<u>73,445</u>	<u>(76,046)</u>	<u>138,747</u>

21. UNRESTRICTED FUNDS

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
<u>Group</u>					
General funds	41,517	247,148	(153,186)	(50,000)	85,479
Designated funds	-	-	-	50,000	50,000
	<u>41,517</u>	<u>247,148</u>	<u>(153,186)</u>	<u>-</u>	<u>135,479</u>
<u>Charity</u>					
General funds	16,002	132,016	(12,439)	(50,000)	85,579
Designated funds	-	-	-	50,000	50,000
	<u>16,002</u>	<u>132,016</u>	<u>(12,439)</u>	<u>-</u>	<u>135,579</u>

GROUNDWORK CAERPHILLY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

21. UNRESTRICTED FUNDS (continued)

Previous year

Group	At 1 April 2016 £	Income £	Expenditure £	Transfers £	At 31 March 2017 £
General funds	477,610	458,659	(941,752)	47,000	41,517
Designated funds	47,000	-	-	(47,000)	-
	<u>524,610</u>	<u>458,659</u>	<u>(941,752)</u>	<u>-</u>	<u>41,517</u>
Charity					
General funds	455,944	251,795	(738,737)	47,000	16,002
Designated funds	47,000	-	-	(47,000)	-
	<u>502,944</u>	<u>251,795</u>	<u>(738,737)</u>	<u>-</u>	<u>16,002</u>

22. DESIGNATED FUNDS

The income funds of the company included the following designated funds which have been set aside out of unrestricted funds by The Trustees for specific purposes.

	At 1 April 2017 £	Transfers £	At 31 March 2018 £
Building maintenance costs	-	50,000	50,000
	<u>-</u>	<u>50,000</u>	<u>50,000</u>

The board have agreed to designate £50,000 in respect of providing for future building maintenance costs.

Previous year

	At 1 April 2016 £	Transfers £	At 31 March 2017 £
Future operating costs	47,000	(47,000)	-
	<u>47,000</u>	<u>(47,000)</u>	<u>-</u>

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23. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted fund £	Total £
<u>Group</u>			
Tangible fixed assets	19,740	136,872	156,612
Net current assets	<u>115,739</u>	<u>2,635</u>	<u>118,374</u>
	<u>135,479</u>	<u>139,507</u>	<u>274,986</u>

Charity

Tangible fixed assets	19,740	136,872	156,612
Investments	100	-	100
Net current assets	<u>115,739</u>	<u>2,635</u>	<u>118,374</u>
	<u>135,579</u>	<u>139,507</u>	<u>275,086</u>

Previous year

	Unrestricted fund £	Restricted fund £	Total £
<u>Group</u>			
Tangible fixed assets	35,930	138,747	174,677
Net current assets	<u>5,587</u>	<u>-</u>	<u>5,587</u>
	<u>41,517</u>	<u>138,747</u>	<u>180,264</u>

Charity

Tangible fixed assets	18,682	138,747	157,429
Investments	100	-	100
Net current liability	(31,384)	-	(31,384)
Debtors due after more than 1 year	<u>28,604</u>	<u>-</u>	<u>28,604</u>
	<u>16,002</u>	<u>138,747</u>	<u>154,749</u>

24. STATUS

Groundwork Caerphilly is a company limited by guarantee, not having a share capital, exempt from the requirement to use the word 'limited' and is a registered charity. The liability of each member under the guarantee is limited to £1.

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25. PENSION SCHEMES

Group and charity

The trust contributes to employee's own personal pension schemes. The pension cost charge represents contributions paid by the trust to the individual schemes and amounted to £392 (2017: £3,317). There were no amounts outstanding during the current or previous year.

26. RELATED PARTY TRANSACTIONS

On 1 January 2018, GC Enterprises (Wales) Limited, transferred all its assets, liabilities, contracts and activities to Groundwork Caerphilly.

During the year the charity recharged GC Enterprises (Wales) Limited £277 (2017: £447) for expenditure made on its behalf.

At 31 March 2017 GC Enterprises (Wales) Limited owed the charity £43,150 of which £28,604 was considered to be due after more than one year. At 31 March 2018 the balance was nil.

As at 31 March 2018 the charity owed G C Enterprises (Wales) Limited £nil (2017: £6,265).

During the year the charity recharged its parent charity, Groundwork Wales, £11,380 (2017: £186,749) for expenditure made on its behalf.

During the year Groundwork Wales has recharged Groundwork Caerphilly for its share of expenditure, totalling £nil (2017: £172,495).

During the previous year £435,500 was donated to the charity's parent Groundwork Wales. No gifts or donations were made to Groundwork Wales in 2018.

At 31 March 2018 the charity's parent Groundwork Wales owed the charity £nil (2017: £487,151).

As at 31 March 2018 the charity owed Groundwork Wales £205,450 (2017: £577,943).

27. TRANSFER OF FUNDS

On 1 January 2018, the trading subsidiary GC Enterprises Limited transferred all its assets, liabilities, contracts and activities to Groundwork Caerphilly. This value of the transfer was £18,861.

28. ULTIMATE CONTROLLING PARTY

On 1 February 2015 Groundwork Caerphilly became a subsidiary of Groundwork Wales. The trustees therefore consider that from 1 February 2015 Groundwork Wales is the ultimate controlling party.

Groundwork Wales is a registered company in England and Wales whose registered office is Ty Mynyddislwyn Offices, Bryn Road, Pontllanfraith, Blackwood, Gwent, NP12 2BH.

Groundwork Wales compiles consolidated financial statements which can be viewed on the Charity Commission Website.

29. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

<u>Group</u>	2018 £	2017 £
Net income/(expenditure) for the reporting period	94,722	(485,694)
<i>Adjustments for:</i>		
Dividends, interest and rents from investments	(82)	-
Depreciation charges	18,415	17,422
(Increase)/decrease in stocks	(270)	(285)
(Increase)/decrease in debtors	599,367	(73,212)
Increase/(decrease) in creditors	(544,796)	586,152
Net cash provided by/(used in) operating activities	<u>167,356</u>	<u>44,383</u>
 Analysis of Cash and Cash Equivalents		
Cash in hand	<u>333,945</u>	<u>166,857</u>
Total Cash and Cash Equivalents	<u>333,945</u>	<u>166,857</u>

30. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

<u>Group</u>	Unrestricted funds £	Restricted funds £	Total funds 2017 £
Income and endowments from:			
Charitable activities	251,347	73,445	324,792
Other trading activities	207,312	-	207,312
<i>Total income and endowments</i>	<u>458,659</u>	<u>73,445</u>	<u>532,104</u>
Expenditure on:			
Charitable activities	303,236	76,046	379,282
Other trading activities	203,016	-	203,016
Other	435,500	-	435,500
<i>Total expenditure</i>	<u>941,752</u>	<u>76,046</u>	<u>1,017,798</u>
<i>Net movement in funds</i>	(483,093)	(2,601)	(485,694)
Reconciliation of Funds			
Total funds brought forward	524,610	141,348	665,958
<i>Total funds carried forward</i>	<u>41,517</u>	<u>138,747</u>	<u>180,264</u>