

Registered number: 02592100
Charity number: 1007918

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1 - 2
Trustees' report	3 - 14
Independent auditors' report on the financial statements	15 - 18
Consolidated statement of financial activities	19
Consolidated balance sheet	20 - 21
Company balance sheet	22 - 23
Consolidated statement of cash flows	24
Notes to the financial statements	25 - 53

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees

Mr D L Robson, Chair
Mr M Charlton, Vice Chair
Mr M J Cuthbertson, Vice Chair
Mrs C A Donnelly
Dr C A Ferguson
Mr D O'Mahoney
Mr J D Owen
Mrs D Pearce
Cllr J Perry (resigned 25 May 2021)
Ms A Siddall
Ms D Turton
Mr A Whittaker
Mr S Brand (appointed 19 August 2021)
Mr A Thurston (appointed 23 September 2021)
Councillor A Strike (appointed 23 September 2021)

Company registered number

02592100

Charity registered number

1007918

Registered office

The Eco Centre
Windmill Way
Hebburn
Tyne and Wear
NE31 1SR

Company secretary

Mr D L Robson

Chief executive officer

Mr A Watts

Independent auditors

Ryecroft Glenton
Chartered Accountants & Statutory Auditor
32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Bankers

Royal Bank of Scotland
31 Grey Street
Newcastle upon Tyne
NE1 6ES

Solicitors

PGS Law
10 Coronation Street
South Shields
Tyne and Wear
NE33 1AZ

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**(A company limited by guarantee)****TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The Trustees present their annual report together with the audited financial statements of the Group and the Charitable Company, Groundwork South and North Tyneside Limited (the Charitable Company and the Group) for the year 1 April 2020 to 31 March 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the Company qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

INTRODUCTION

The following information about the financial year 2020/21 is presented in the format required by The Charity Commission.

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

Groundwork's purpose is to build sustainable communities through joint action.

The consolidated accounts incorporate both Windmill and TEN as both are now wholly owned by the Groundwork Trust. Groundwork has delivered services through Windmill for a number of years as these further our charitable objects. In addition, we integrated TEN into the Groundwork family in 2018 to enable us to further deliver our charitable objects around Supporting Long Term Unemployed and Supporting Young People. The integration has been a huge success for both parties and we continue to investigate new opportunities around the group structure.

Objectives and activities**● Policies and objectives**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The governing objects of the Charitable Company are:

1. To promote the conservation, protection and improvement of the physical and natural environment anywhere within the local Government boundaries of the Metropolitan Boroughs of South Tyneside and North Tyneside.
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 in the Metropolitan Boroughs of South Tyneside and North Tyneside.
3. To advance public education in environmental matters and of the ways of better conserving, protecting and improving the same where so ever.
- 4 To promote for the public benefit, urban or rural regeneration in areas of social and economic deprivation within the Metropolitan Boroughs of South Tyneside and North Tyneside 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;

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

(c) Such other means which may from time to time be determined subject to the prior written consent of the Charity Commissioners for England and Wales.

5. To provide facilities in the interests of social welfare for recreational, cultural and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting in the Metropolitan Boroughs of South Tyneside and North Tyneside through:

(a) The operation of leisure, cultural and heritage sites, venues or projects;

(b) Holding or owning a historic or cultural collection;

6. To promote sustainable development for the benefit of the public by:

(a) 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 economically disadvantaged communities;

(c) the promotion of sustainable means of achieving economic and social growth and regeneration.

7. To advance the education of the public in subject 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.

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

9. To promote the efficiencies and the effectiveness of the Voluntary Sector for the benefit of the public by the provision of information, support and advice to local community groups.

● **Activities undertaken to achieve objectives**

To achieve the above objects, the Charitable Company uses the following six major areas of work to maximise the impact to the communities it serves:

Working with communities to build stronger neighbourhoods.

Working to realise the potential of young people.

Through education, promoting learning, citizenship and sustainability.

Working to reconnect people with places.

Working to provide training for employment and stimulating enterprise.

Working to help businesses succeed.

In addition to the above Groundwork delivers three cross cutting themes:

We promote health and well-being by providing the facilities and support to help people become more physically active and make healthier lifestyle choices.

We work closely with housing organisations to plan neighbourhood wide improvements, raise the quality of the housing stock and engage communities to promote greater cohesion.

We promote sustainability and combating climate change by encouraging adults and children to change their behaviour.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

● **Volunteers**

A continued support mechanism to the Charitable Company are volunteers both corporate and local community who provide invaluable support to local projects and supporting local communities. Over the past few years, the Charitable Company has developed its corporate volunteering model with the support of SAGE, during 2020/21 and the impact of Covid-19, this engagement was undertaken on-line with eco challenges and staff engagement, it's hoped that face to face volunteering will recommence in late 2021.

The Charitable Company has a core of project volunteers who provide support and dedication on a weekly basis to support community projects or local sites such as Jarrow Hall and West Boldon Lodge. Last year, again due the impact of Covid-19, the volunteering opportunities were reduced, however, thanks to the dedication of our volunteers and additional controls they provided over 7500 volunteering hours to support our vision of changing places, changing lives which equates in total to over £45k in volunteer time.

Achievements and performance

● **Key performance indicators**

The Charitable Trust ensures that it manages the challenging operating environment due to the current economic climate; the Trust continues to split the annual Key Performance Indicator's (KPIs) into three business priority areas, finance, development and quality which form the basis of sub committees' of the main Board. The priority areas will form the basis for our business model for the forthcoming year.

Resources Committee

This priority will concentrate on financial and business management through short term performance management, cost efficiencies and maintaining quality standards to ensure that we deliver quality services within budget and timescales.

Through the performance management framework, the Trust will review the following areas on a regular basis and implement the necessary action plans.

- Operation Portfolio Updates including performance
- Financial Updates & Management
- Staffing / H&R
- Investment Strategy

Business Development Committee

This priority will focus on business development to ensure the Trust maximises business opportunities in-line with our 5 year strategy, whilst responding to emerging markets within the private and public sector. The management team will develop a framework to monitor progress against the below areas:

- 5 Yr Strategy
- Business Planning
- Strategic Relations / Positioning
- Business Development
- Emerging Markets
- Funding Opportunities & Management
- Marketing & Communications.

During the year, the Charitable Company created a joint Strategic Development Committee with our neighbouring Federation Charitable Company, Groundwork North East and Cumbria. The new Committee also includes representatives from TEN North East Charitable Company.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

This new framework ensures a regional approach to business development, building on knowledge and avoiding duplication.

Compliance and Quality Committee

This priority will focus on the development of our quality and standards to enhance our quality delivery and ensure compliance with quality standards / accreditations. The management team review performance against the below areas:

- Health & Safety
- Safeguarding
- ISO 14001
- GDPR / ICT
- Equality & Diversity
- Investors in People
- Matrix.

During the year, the Charitable Company created a joint Compliance Development Committee with our neighbouring Federation Charitable Company, Groundwork North East and Cumbria. The new Committee also includes representatives from TEN North East Charitable Company.

This new framework ensures a regional approach to compliance, building on expertise and avoiding duplication.

Route 2 Work Governors

To oversee the quality, compliance and learning standards at our Route 2 Work College, the Charitable Company has established a new Governors Committee. The role of the committee is to support and challenges the quality of the outcomes, achievements, personal development and quality improvement plan. The Committee provide the full Board with a quarterly update on progress.

Jarrow Hall Managing Committee

To oversee the implementation and monitoring of the Masterplan, the Charitable Company has created a Jarrow Hall Managing Committee. The role of the committee is to support the outcomes and actions of the Masterplan whilst overseeing the collection management of the Bede Museum. The Committee provide the full Board with a regular progress report.

● Review of activities

Operational Performance

In 2020/21 the Charitable Company was significantly impacted by the Covid-19 restrictions but through the support of funders, Government support packages and the commitment of the team, the financial performance in 2020/21 was very stable. Through the support mechanism put in place by Government, Funders and Partners, the Charitable Company was able to access significant new funds to support our work within our communities which were needed more than ever.

Where services were unable to be delivered, the Charitable Company was able to utilise the furlough scheme to support those staff, as of the 1st April, the Charitable Company had very few staff being supported by the furlough scheme.

Despite, the impact and challenges of Covid-19, the Charitable Company integrated a number of new operating systems and controls that enable our projects and services to operate in a very controlled and safe environment. Through these controls and public re-assurance, our income during the lockdown was in-line with business plan targets.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021****Achievements and performance (continued)**

To support staff and our projects during 2020/21, the Charitable Company has made significant improvements and operating changes to enable the management of an ever changing activity portfolio effectively and further work has been undertaken on operating systems in 2020 to maximise the benefits of agile working.

During the year, the Charitable Company major partnership assets at One Trinity Green and The Beacon continued to increase occupancy and directly support the charitable aims through business support, training and enterprise. The Charitable Company's traditional operations remain stable with growth within the majority of the portfolios which has allowed the Charitable Company to manage the financial changes as mentioned within the report.

The Charitable Company secured and received a variety of grants including:

- National Lottery Fund Grant received from the Local Trust for the development of the Central Jarrow Big Local initiative (£149,968 Restricted Funds)
- National Lottery Fund Grant received from the Local Trust Gardening and Landscaping for Central Jarrow Big Local (£15,000 Restricted Funds)
- Jarrow Hall – Final phase of the 'A Sun Project', Museum Collection Fund via Esmee Fairbairn Foundation, this funding was released under FRS102 in 2017/18.
- Green Space Forum – National Lottery Community Fund Grant to support community groups within parks (£13,770 released in 2020/21)
- National Lottery Community Fund ongoing delivery of Marsden Says to support the development of community programmes and resilience at Marsden Road Centre, total grants received of £192,862, this was released under FRS102 in 2019/20 with £26,564 spent 2020/21.
- Jarrow Hall – Donations were received from public giving totalling £8,461 and gift aid of £2,384 to support the ongoing museum development.
- Community Foundation #iWill to support youth social action in South Tyneside Green Space (£506 released in 2020/21)
- Museum Development North East for curatorial and digital equipment at Jarrow Hall (£1,488 released in 2020/21)
- Energy Redress and Barclays 100*100 in partnership with Groundwork Yorkshire for fuel vouchers to support people living in poverty and the development of the Green Doctor Service (£10,200 released in 2020/21)
- National Lottery Heritage Fund / Green Recovery Challenge Fund in partnership with Groundwork UK (£38,744 released in 2021)
- Route2Work small grants to contribute towards enrichment activity Key Fund and Moving Forward Winter Celebrations Fund £1000
- Arts Council England – Cultural Recovery Fund to support Emergency Covid Response activity at Jarrow Hall £72,680
- Sage Foundation to support Jarrow Hall site development and corporate volunteering opportunities £7,000 was received but not released.
- National Lottery Community Fund Emergency Covid Response funds to support activities and adaptation for West Boldon Lodge £43,736
- Tesco Covid Emergency Grant to support activity packs for families in poverty £1,000
- Heritage Emergency Fund - National Lottery Heritage Fund – Emergency Covid Response funding to support Jarrow Hall - £42,900
- Children in Need Small Grant to support Forest Playschool at West Boldon Lodge £27,295 secured for delivery over 3 years of which £2,148 released in 2020/21.
- Community Foundation Daisy Marr to support enrichment out of college activity for Route2Work learners £5000.
- Covid-19 Business Support Grant via South Tyneside Council £55,000 to provide emergency support at Jarrow Hall, Marsden Road Centre and GW Shop.

In addition, the Charitable Company continued to deliver a number of service contracts including the Big Local for Central Jarrow. The service contracts allowed the Charitable Company to deliver quality outcomes through inspiring people and creating greener spaces for people to live, work and play.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

To deliver our objects and aims of TEN, the charity has delivered services and support under the following programmes during the 2020/21 financial year: · Building Better Opportunities in partnership with the Wise Group · Young Carers through external funding from Children in Need, National Lottery, Community Foundation, Police and Crime Commissioner, Tesco – Carrier for Causes, Awards for All, Mind, Rise and local donations.

The Charitable Company would also like to thank the South Tyneside Young Carers CIC for their support during the year, their fundraising has supported enrichment and respite activities for our young carers.

Contribution to Local Communities

Set out below are some of the ways in which our activities have helped the communities we serve:

Creating Better Places

It has been proven beyond doubt that having access to good quality green space – a local park, allotment or play area – improves our health and wellbeing and supports children's educational and social development. The projects we deliver provide a meaningful opportunity for us to work with local communities to have a say around the quality of their local environment and support practical activities that create enhanced green spaces for people to live, work and play.

Last year, Groundwork: -

- Supported over 7500 hours of community volunteering hours.
- Improved or maintained over 1.75sq million metres of land.
- Supported 118 community groups to carry out local projects.

Improving People's Prospects

We believe that a person's background or circumstances should not hinder their future prospects and we are committed to ensuring that those we support receive the help they need to realise their true potential. A unique approach is designed to benefit both individuals, the local environment and neighbourhoods. We provide opportunities for people to further their education, training and employment prospects by providing grass root solutions.

Last year, Groundwork: -

- Supported school children with environmental education to over 55 schools despite on-line learning.
- Helped Learners of all ages secure over 80 qualifications.
- Helped 24 specialist needs learners with education and training

In addition, TEN delivered a wide range of young and employment outcomes, please refer to TEN website for details.

Promoting Greener Living and Working.

Building sustainable communities involves changing behaviours, through our project we have helped individuals, households and whole organisations think and act differently to conserve natural resources as well as providing practical solutions to help reduce household bills and improve health and wellbeing.

Last year, Groundwork provided: -

- Diverted over 120 tonnes of waste from landfill.
- Supported 245 local businesses.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

· Support the most vulnerable through wellbeing calls, and recommenced health programme as restrictions were lifted.

External Challenging Factors Relevant to Achieve Objectives

During the financial year, the main significant external factors that have challenged the Charitable Company during this period was the Covid-19 pandemic, as mentioned above this had a significant impact on operations and staff during the year.

The continued reduction of public sector funding has had an effect on grants provided to the charitable sector. This alongside increased demand on grant funding bodies has resulted in fewer grant applications being funded and therefore the Charitable Company continues to look at self-financing models and the introduction of financial contribution to selected community based services.

In addition to the above challenges, the economic climate has reduced the number of job opportunities for the beneficiaries completing our Employment & Skills programmes which has led to a smaller number than anticipated entering the field of employment. We continue to work with partners to look at new opportunities of embedding further support mechanisms into our employment programmes to provide the best possible support packages to individuals to prepare them for the labour market.

Asset Management

The Charitable Company undertook a detailed asset review of all freehold and leasehold assets held within the fixed assets.

The Trustees remain aware that efforts will continue to be required to cut fixed asset costs and asset reduce overheads and to benefit from economies of scale through potential further development opportunities within the trading subsidiary. The Charitable Company will also continue developing its service delivery utilising our community based assets as service hubs.

● Fundraising activities and income generation

The Charitable Company undertook a small number of local fundraising activities during the year, these fundraising activities were undertaken directly by Groundwork staff with the aim of raising funds for bespoke work within our local projects such as Jarrow Hall and West Boldon Lodge, all of the fundraising was undertaken in-accordance to the regulations and advice was sort from local authority partners. During this period, the Charitable Company received no complaints relating to fundraising and all activities were community based fundraising with no door-knocking or unreasonable approaches to local community. The Charitable Company has established a fundraising single central register to monitor local fundraising activities.

● Investment policy and performance

The Trustees have the power to invest in such assets as they see fit.

The Charitable Company may need to react quickly to particular needs and therefore has a policy of keeping surplus liquid funds in short term deposits which can be readily accessed.

The Board undertake an annual review of the investment strategy / policy to ensure that funds are utilised and provide the most beneficial return to the Charitable Company, this annual review also informs the reserves policy.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Financial review

• Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. The Charitable Company has accessed a number of grants throughout the year to support its charitable activities as well as accessing government support such as Furlough. The Charitable Company has been able to respond to the challenges of Covid 19 during the year and into 2021 with the majority of charitable activities recommencing in early 2021 leading to a stable operating model and financial performance despite the challenges of Covid-19. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

• Reserves policy

The Trustees have reviewed the Charitable Company's reserves requirement in accordance with the guidelines issued by the Charity Commission for England and Wales.

In formulating the policy, the Trustees have taken into account the Charitable Company's expenditure commitments and the sources, reliability and timing of its income flows. In addition, future needs, opportunities, contingencies and risks have been analysed and assessed.

The Trustees agree on an annual basis the agreed working capital requirement for the Charitable Company that enables the organisation to operate in-line with the reserves policy and guidelines.

• Principal risks and uncertainties

The Charitable Company produces an annual Risk Register that sets out the principle risks to the organisation and the necessary contract required to manage such risks. The risk registered is managed by the Executive Team with an annual report presented to the Board.

The main risks to the Charitable Company are relationship management of key stakeholder, effective management of health & safety, continued reduction in government funding and management of higher risk activities. Below is a summary of the main areas of risk, for which we have the necessary strategies / risk management plans in place:

- Failure to secure management of new programmes, threatening the long-term viability of the organisation.
- An unexpected withdrawal of funding from a major partner.
- A major personal incident health & safety or safeguarding occurring on local projects.
- Non-compliance to data security, health & safety and environmental regulations.
- Ongoing change management within the Groundwork Federation impacting on the Federation's ability to delivery national programmes.

• Financial risk management objectives and policies

The Charitable Company as part of its annual Business Plan sets out a number of Financial Objectives that are overseen by Resources Committee. These objectives relate to the level of working capital, total funds available, management of higher risk activities and investments. The committee measure performance against these objectives on a quarterly basis with a report presented to the Board of Trustees.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

• Overview

The Charitable Group's turnover was £1,844,334 with an additional income via Beacon Partnership of £107,338 giving a total income of £1,951,672 compared to £2,148,934 last year.

The Group's net movement in funds was £113,193.

The Group's figures incorporate the results of the Charitable Company's subsidiary undertakings, Windmill Sustainable Business Solutions Limited and Ten North East Limited. Windmill made a pre tax profit of £1,154 (2020 loss of £2,059) and Ten North East Limited a deficit of £5,367 (2020: deficit of £8,350).

During the financial year the Charitable Company secured contracts, service level agreements and grant funding from many organisations including Newcastle City Council, South Tyneside Metropolitan Borough Council, South Tyneside Public Health, National Lottery Community Fund, Big Local, South Tyneside College, Land Trust, Ward Improvement Fund, National Grid, South Tyneside Homes, Sir James Knott Trust, Barbour Foundation, Ballinger Trust, Tesco, Agility Eco, Freemasons, Community Foundation, LGA Foundation, Museum Development North East, Banks Group and Hadrian Trust.

The Charitable Company wishes to thank the partnership organisations that have supported the Company over the past year.

During the year, the Charitable Company released £204,000, as shown in note 8. This fund is an exceptional release of funds relating to a historical funding agreement with South Tyneside Council which both parties have agreed to front-load to one-off lump sum due to the level of administration required on the historical agreement.

At the end of the year the Charitable Group's total funds were £2,924,246 (2020: £2,811,053) comprising restricted funds of £198,215 (2020: £250,656) and unrestricted funds of £2,726,031 (2020: £2,560,397).

Held as part of the reserves are Freehold and Leasehold properties valued as fixed assets at £2,331,405. There are no designated or otherwise committed funds. The reserves, after allowing for the above properties and other tangible assets required to operate the Charitable Company was £341,873 (2020: £89,674).

Structure, governance and management

• Constitution

The Charitable Company is a charitable company limited by guarantee and was set up by a Memorandum of Association on 15 March 1991. There are three Company Members each of whom have undertaken to contribute an amount not exceeding £1 in the event of winding up. The Members are:

The Federation of Groundwork Trusts
South Tyneside Metropolitan Borough Council
North East Chamber of Commerce.

The group accounts include both Windmill Sustainable Business Solutions Limited and Ten North East Limited who are wholly owned by Groundwork.

The Charitable Company is constituted under a Memorandum of Association dated 15 March 1991 and is a registered charity number 1007918. The principal object of the Charitable Company is to build sustainable communities through joint action. The Charitable Company's memorandum and articles of association were amended in June 2017 to include cultural and heritage activities.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

• Methods of appointment or election of Trustees

The Charitable Company and Group is governed by a Board of Trustees comprising of both co-opted and nominated individuals / representatives who are elected and re-elected on a 3 year term under the terms of the Articles of Association.

Any nominated co-opted Trustee must be endorsed by the Board of Trustees before being appointed.

• Organisational structure and decision-making policies

Groundwork South and North Tyneside is one of a national network of eighteen independent Charitable Trusts, and is part of the Groundwork Federation.

The Groundwork Federation is a national regeneration organisation working with partners to improve the quality of the local environment, the lives of local people and the success of local businesses in those areas in need of investment and support. The Federations support the independent charitable trusts with external funding, development of national programmes, business development, national campaigns and distribution of national policies.

• Policies adopted for the induction and training of Trustees

The Charitable Company and Group has a procedure for the induction of new Trustees to ensure that all necessary information and governance procedures are fully understood. The induction also includes tours of the organisations assets and projects to obtain first-hand experience of the range of services.

• Pay policy for key management personnel

The Resource Committee of the Board are responsible for the setting remuneration for the organisations staff including the Executive Team. The organisation has a robust annual appraisal process that monitors past performance and sets the forthcoming year's key performance indicators and contribution to the Business Plan.

• Financial risk management

The Trustees have examined the major strategic, business and operational risks which the Group and Charity face and confirm that systems have been established to enable regular reports to be produced so that steps can be taken to lessen these risks. These risks are linked to the above principal risks and uncertainties.

Plans for future periods

The Charitable Company in 2020 adopted the Groundwork Federation strategy that sets out its plans and vision for the future of the Charitable Company, below is a summary of the strategy:

Over the next few years, we will continue to provide services that enable us to deliver our vision of 'Changing Places and Changing Lives'. We will do this by embedding innovation and sustainability in all we do, maximising impact and outcomes.

Groundwork is a federation of charities mobilising practical community action on poverty and the environment across the UK. We're passionate about creating a future where: -

- Every neighbourhood is vibrant and green.
- Every community is strong and able to shape its own destiny.
- No-one is held back by their background or circumstances.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Plans for future periods (continued)

We believe that working with local communities to build their resilience is vital in facing up to the challenges of a globalised economy and a changing climate.

Why this Matters:

- 89% of community groups say their work is needed more than ever, but more than half say it has got harder for them to operate in the last ten years.
- 75% of people say they feel unable to influence decisions about what happens in their local area. Nearly half of young people² say they feel they do not belong to their neighbourhood.
- 2.69 million people do not live within a ten minute walk of a green space. Those who are at greatest risk of poor physical and mental health are more likely to miss out on the benefits of green space.
- Around half a million young people were 'economically inactive' - not in learning or employment and not looking for work – before Covid-19, a number which has been slowly rising.
- One in ten households in England is experiencing fuel poverty, rising to almost one in five for ethnic minority households.
- 76% of adults say they are concerned about climate change.
- 40% of young people admit to feeling 'overwhelmed' by the climate crisis.
- 90% of SMEs said being sustainable was important for their business but more than half said they were finding it difficult to take action.

Our Impact and Change we deliver:

Our work supports people facing multiple challenges – living in isolation or with significant health issues, in communities with few facilities, limited employment prospects and vulnerable to extreme weather events.

- We create better places - Making communities greener, safer and healthier by enabling people to work together to bring about change in their local area.
- We improve people's prospects - Increasing the confidence, skills, wellbeing and employability of those struggling in education or out of work.
- We promote greener choices - Helping people and businesses reduce their environmental impact, cut waste, save money and live more healthily

Due to the Covid-19 pandemic, the Charitable Company has accessed a number of external emergency grants during 2020/21 to support the organisation and communities through this difficult time, these funds will be committed in-line with the funding agreements, and the Charitable Company will continue to work with partners and stakeholders to access funds to support local communities. The next two years will continue to be impacted by the pandemic but through the new government programmes such as Green Recovery Fund and Plans for Jobs, the Charitable Company has many opportunities to support the local and national recovery priorities.

To support the plans for the future, a number of KPI's are agreed by the Trustees' of the Charitable Company on an annual basis. The Charitable Company holds an annual Business Development Session where the Trustees and Executive Team review existing strategic direction and activities and set the future direction of the Charitable Company.

The Charitable Company is looking to expand its charitable operations especially with our communities team linked to wider education services and community events. Further, through the integration of TEN North East into Groundwork, the Charitable Company hopes to expand its training & development and young carers services as well as working across the Groundwork Federation especially through the Groundwork in the North to develop enhanced collaboration and business development.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021****Members' liability**

The Trustees of the Charitable Company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial . 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 Group and the Company and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

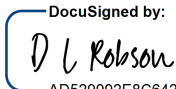
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

Auditors

The auditor, Ryecroft Glenton, has indicated his willingness to continue in office. The designated Trustees will propose a motion to be given powers at the meeting to appoint the auditors for the coming year.

Approved by order of the members of the board of Trustees on 30 November 2021 and signed on their behalf by:

DocuSigned by:

 AD529992E8C642D...
Mr D L Robson

DocuSigned by:

 02B1244BAD41449...
Mr M Charlton

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROUNDWORK SOUTH AND NORTH
TYNESIDE LIMITED**

Opinion

We have audited the financial statements of Groundwork South and North Tyneside Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, 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's and of the parent charitable company'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 year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities including fraud

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011 et seq., the Charities (Protection and Social Investment) Act 2016, the Trustees Acts 1925 and 2000 and Charity Commission regulation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured that the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: -

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED (CONTINUED)

To address the risk of fraud through management bias and override of controls, we: -

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which include, but are not limited to: -

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.


There are inherent limitations in our anticipated audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BE1AD9174D594BA...

Detlev Anderson (Senior statutory auditor)

for and on behalf of

Ryecroft Glenton

Chartered Accountants & Statutory Auditor

32 Portland Terrace

Newcastle upon Tyne

NE2 1QP

30 November 2021

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	3,803	256,189	259,992	28,532
Charitable activities	5	816,161	504,445	1,320,606	1,710,773
Other trading activities	6	-	88,341	88,341	329,382
Investments	7	-	62,276	62,276	60,009
Other income	8	-	220,457	220,457	20,238
Total income		819,964	1,131,708	1,951,672	2,148,934
Expenditure on:					
Raising funds		-	123,693	123,693	264,583
Charitable activities	9	1,020,725	694,063	1,714,788	1,945,535
Other expenditure		-	-	-	30
Total expenditure		1,020,725	817,756	1,838,481	2,210,148
Net (expenditure)/ income		(200,761)	313,952	113,191	(61,214)
Transfers between funds	20	148,320	(148,320)	-	-
Net movement in funds		(52,441)	165,632	113,191	(61,214)
Reconciliation of funds:					
Total funds brought forward		250,656	2,560,397	2,811,053	2,872,267
Net movement in funds		(52,441)	165,632	113,191	(61,214)
Total funds carried forward		198,215	2,726,029	2,924,244	2,811,053

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 25 to 53 form part of these financial statements.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**(A company limited by guarantee)****REGISTERED NUMBER: 02592100****CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	2,384,158	2,470,723
		<u>2,384,158</u>	<u>2,470,723</u>
Current assets			
Stocks	16	158,703	141,582
Debtors	17	373,052	466,375
Cash at bank and in hand		498,879	164,278
		<u>1,030,634</u>	<u>772,235</u>
Creditors: amounts falling due within one year	18	(448,048)	(431,905)
Net current assets		582,586	340,330
Total assets less current liabilities		2,966,744	2,811,053
Creditors: amounts falling due after more than one year	19	(42,500)	-
Total net assets		2,924,244	2,811,053
Charity funds			
Restricted funds	20	198,215	250,656
Unrestricted funds	20	2,726,029	2,560,397
Total funds		2,924,244	2,811,053

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED


**(A company limited by guarantee)
REGISTERED NUMBER: 02592100**

**CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021**

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 30 November 2021 and signed on their behalf by:

DocuSigned by:

AD529992E8C642D...

Mr D L Robson

DocuSigned by:

02B1244BAD41449...

Mr M Charlton

The notes on pages 25 to 53 form part of these financial statements.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED**(A company limited by guarantee)****REGISTERED NUMBER: 02592100****COMPANY BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	2,378,909	2,459,005
Investments	15	3	3
		<u>2,378,912</u>	<u>2,459,008</u>
Current assets			
Stocks	16	157,380	141,237
Debtors	17	416,098	482,851
Cash at bank and in hand		395,867	97,135
		<u>969,345</u>	<u>721,223</u>
Creditors: amounts falling due within one year	18	(437,849)	(429,729)
		<u>531,496</u>	<u>291,494</u>
Total assets less current liabilities		<u>2,910,408</u>	<u>2,750,502</u>
Creditors: amounts falling due after more than one year	19	(42,500)	-
Total net assets		<u><u>2,867,908</u></u>	<u><u>2,750,502</u></u>
Charity funds			
Restricted funds	20	166,298	232,402
Unrestricted funds	20	2,701,610	2,518,100
Total funds		<u><u>2,867,908</u></u>	<u><u>2,750,502</u></u>

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED

(A company limited by guarantee)

REGISTERED NUMBER: 02592100

COMPANY BALANCE SHEET (CONTINUED)


AS AT 31 MARCH 2021

The Company's net movement in funds for the year was £117,406 (2020 - £(109,101)).


The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 30 November 2021 and signed on their behalf by:

DocuSigned by:

AD529992E8C642D...

Mr D L Robson

DocuSigned by:

02B1244BAD41449...

Mr M Charlton

The notes on pages 25 to 53 form part of these financial statements.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	23	296,796	<i>(69,101)</i>
Cash flows from investing activities			
Purchase of tangible fixed assets		(12,195)	<i>(7,583)</i>
Net cash used in investing activities		(12,195)	<i>(7,583)</i>
Cash flows from financing activities			
Cash inflows from new borrowing		50,000	-
Change in cash and cash equivalents in the year		334,601	<i>(76,684)</i>
Cash and cash equivalents at the beginning of the year		164,278	<i>240,962</i>
Cash and cash equivalents at the end of the year	24	498,879	<i>164,278</i>

The notes on pages 25 to 53 form part of these financial statements

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The Charitable Company is a company limited by guarantee (company registered number 02592100, charity registered number 1007918). There are three members, each of whom have undertaken to contribute an amount not exceeding £1 in the event of a winding up. The members are:-

Federation of Groundwork Trusts;
South Tyneside Metropolitan Borough Council;
North East Chamber of Commerce, Trade and Industry;

The registered office address of the charitable company is The Eco Centre, Windmill Way, Hebburn, Tyne and Wear, NE31 1SR.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

The financial statements have been prepared on a going concern basis. The trustees have reviewed and considered relevant information, including the annual budget and future cash flows, in making their assessment. In particular, the recovery from the Covid-19 pandemic and the recommencing of operations and government funding opportunities. Furthermore, the majority of charitable activities recommencing in early 2021 leading to a stable operating model and financial performance despite the challenges of Covid-19.

Over the past year, the charitable company has accessed a number of business support and emergency grants to reduce the impact of the Covid-19 pandemic on the charitable company. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and financial statements.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Income

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

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

2.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned.

The Charitable Company has accessed a number of business support and emergency grants including Furlough Scheme to reduce the impact of the Covid-19 pandemic on the company.

Project grants are included in creditors and are released to the statement of financial activities over the life of the project.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- 2% straight line
Short-term leasehold property	- 2% straight line
Plant and machinery	- 6.67% straight line
Motor vehicles	- 20% straight line
Fixtures and fittings	- 20% straight line
L/Term leasehold Land	- straight line over lease term
Computer equipment	- 33.3% straight line
Wastage equipment	- 40% straight line

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Work in progress

Work in progress is valued at the lower of cost and net realisable value and represents costs on ongoing projects where there is a reasonable probability that the costs will be recovered.

2.10 Debtors

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

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.11 Cash at bank and in hand

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

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.13 Joint arrangements

These financial statements recognise only Groundwork South Tyneside and Newcastle upon Tyne's share of the income, expenditure, assets and liabilities of joint arrangement projects.

2.14 Financial instruments

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

2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.16 Pensions

The Charitable Company operates a defined contribution scheme through the Groundwork Federation which is currently administered by Aegon Scottish Equitable. The scheme is available to all employees. The assets of the scheme are held separately from those of the Charitable Company. The annual contributions payable are charged to the statement of financial activities.

Some current and previous employees of the Charitable Company participate in Tyne and Wear Pension Fund, a defined benefit scheme. Contributions payable to this scheme are charged to the income and expenditure account so as to spread the cost of the pension over the employees' expected working life. The pension charge is calculated on the basis of actuarial advice. The contributions are invested separately from the Charitable Company's assets.

The scheme is a multi-employer scheme and whilst it is a defined benefit scheme, the Charitable Company is unable to identify its share of the underlying assets and liabilities. Accordingly, as directed by FRS17, the contributions to the scheme have been accounted for as if it were a defined contribution scheme.

2.17 Fund accounting

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

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

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

2.18 Joint arrangements

These financial statements recognise only Groundwork South Tyneside and Newcastle upon Tyne's share of the income, expenditure, assets and liabilities of joint arrangement projects.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Work in progress:

The accounts include work in progress amounting to £157,380 (2020: £141,237) in respect of costs incurred on projects that were ongoing at the year end. These projects have not yet been completed and therefore the overall outcome of the project is not yet known. There is therefore a degree of judgment by the managers of the charitable company at the year end in determining the likelihood of these costs being recovered in the following year.

Depreciation:

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values. This estimation policy is consistent with previous years.

4. Income from donations and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Government grants			
Government furlough grants	-	173,448	173,448
Government - other Covid 19 support grants	-	68,647	68,647
Subtotal detailed disclosure	-	242,095	242,095
Donations	-	4,050	4,050
Core funding	-	10,044	10,044
Other grants	3,803	-	3,803
Subtotal	3,803	14,094	17,897
	3,803	256,189	259,992

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

4. Income from donations and legacies (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	18,206	18,206
Core funding	10,326	10,326
	<u>28,532</u>	<u>28,532</u>

5. Income from charitable activities

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Project income - Employment	251,000	-	251,000
Project income - Business	76	107,415	107,491
Project income - Education	44,433	46,504	90,937
Project income - Communities	260,571	239,519	500,090
Project income- Land	36,783	111,007	147,790
Ten North East activities	223,298	-	223,298
	<u>816,161</u>	<u>504,445</u>	<u>1,320,606</u>

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Project income - Employment	259,913	-	259,913
Project income - Business	1,682	133,653	135,335
Project income - Education	10,692	135,696	146,388
Project income - Communities	444,173	326,149	770,322
Project income - Land	53,250	35,782	89,032
Ten North East activities	228,582	81,201	309,783
	<u>998,292</u>	<u>712,481</u>	<u>1,710,773</u>

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

5. Income from charitable activities (continued)

Included in project income is the released element of the following grants:

- National Lottery Fund Grant received from the Local Trust for the development of the Central Jarrow Big Local initiative (£149,968 Restricted Funds)
- National Lottery Fund Grant received from the Local Trust Gardening and Landscaping for Central Jarrow Big Local (£15,000 Restricted Funds)
- Jarrow Hall – Final phase of the ‘A Sun Project’, Museum Collection Fund via Esmee Fairbairn Foundation, this funding was released under FRS102 in 2017/18.
- Green Space Forum – National Lottery Community Fund Grant to support community groups within parks (£13,770 released in 2020/21)
- National Lottery Community Fund ongoing delivery of Marsden Says to support the development of community programmes and resilience at Marsden Road Centre, total grants received of £192,862, this was released under FRS102 in 2019/20 with £26,564 spent 2020/21.
- Jarrow Hall – Donations were received from public giving totalling £8,461 and gift aid of £2,384 to support the ongoing museum development.
- Community Foundation #IWill to support youth social action in South Tyneside Green Space (£506 released in 2020/21)
- Museum Development North East for curatorial and digital equipment at Jarrow Hall (£1,488 released in 2020/21)
- Energy Redress and Barclays 100*100 in partnership with Groundwork Yorkshire for fuel vouchers to support people living in poverty and the development of the Green Doctor Service (£10,200 released in 20/21)
- National Lottery Heritage Fund / Green Recovery Challenge Fund in partnership with Groundwork UK (£38,744 released in 2021)
- Route2Work small grants to contribute towards enrichment activity Key Fund and Moving Forward Winter Celebrations Fund £1000
- Arts Council England – Cultural Recovery Fund to support Emergency Covid Response activity at Jarrow Hall £72,680
- Sage Foundation to support Jarrow Hall site development and corporate volunteering opportunities £7,000 was received but not released.
- National Lottery Community Fund Emergency Covid Response funds to support activities and adaptation for West Boldon Lodge £43,736
- Tesco Covid Emergency Grant to support activity packs for families in poverty £1,000
- Heritage Emergency Fund - National Lottery Heritage Fund – Emergency Covid Response funding to support Jarrow Hall - £42,900
- Children in Need Small Grant to support Forest Playschool at West Boldon Lodge £27,295 secured for delivery over 3 years of which £2,148 released in 2020/21.
- Community Foundation Daisy Marr to support enrichment out of college activity for Route2Work learners £5000.
- Covid-19 Business Support Grant via South Tyneside Council £55,000 to provide emergency support at Jarrow Hall, Marsden Road Centre and GW Shop.

To deliver our objects and aims of TEN, the charity has delivered services and support under the following programmes during the 2020/21 financial year: · Building Better Opportunities in partnership with the Wise Group · Young Carers through external funding from Children in Need, National Lottery, Community Foundation, Police and Crime Commissioner, Tesco – Carrier for Causes, Awards for All, Mind, Rise and local donations.

The Charitable Company would also like to thank the South Tyneside Young Carers CIC for their support during the year, their fundraising has supported enrichment and respite activities for our young carers.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Trading income - Windmill	84,639	84,639	316,064
Jarrow Hall shop takings	3,702	3,702	13,318
	<u>88,341</u>	<u>88,341</u>	<u>329,382</u>

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Share of rents received from Eco Centre	62,095	62,095	58,952
Interest receivable	181	181	1,057
	<u>62,276</u>	<u>62,276</u>	<u>60,009</u>

8. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Other income	218,279	218,279	18,913
Sale of electricity to network	2,178	2,178	1,325
	<u>220,457</u>	<u>220,457</u>	<u>20,238</u>

Other income of £218,279 includes £204,000 received from South Tyneside Council. This is an exceptional release of funds relating to a historical funding agreement with South Tyneside Council which both parties have agreed to front-load to a one-off lump sum due to the level of administration required on the historical agreement.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

9. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Employment	296,935	10,767	307,702
Business	112	130,651	130,763
Education	52,343	59,996	112,339
Communities	416,579	338,065	754,644
Land	41,318	126,987	168,305
Ten North East activities	213,438	27,597	241,035
	<u>1,020,725</u>	<u>694,063</u>	<u>1,714,788</u>
	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Employment	299,232	25,987	325,219
Business	1,795	169,624	171,419
Education	29,724	163,847	193,571
Communities	382,197	445,526	827,723
Land	44,577	57,643	102,220
Ten North East activities	236,097	89,286	325,383
	<u>993,622</u>	<u>951,913</u>	<u>1,945,535</u>

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Employment	228,882	78,820	307,702
Business	125,075	5,688	130,763
Education	82,177	30,162	112,339
Communities	547,804	206,840	754,644
Land	120,751	47,554	168,305
Ten North East activities	187,005	54,030	241,035
	<u>1,291,694</u>	<u>423,094</u>	<u>1,714,788</u>

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Employment	240,373	84,846	325,219
Business	165,066	6,353	171,419
Education	144,995	48,576	193,571
Communities	597,340	230,383	827,723
Other charitable activities	74,538	27,682	102,220
Ten North East activities	268,624	56,759	325,383
	<u>1,490,936</u>	<u>454,599</u>	<u>1,945,535</u>

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Employment 2021 £	Business 2021 £	Education 2021 £	Communities 2021 £
Staff costs	189,185	13,865	61,248	272,213
Project costs	39,697	111,210	20,929	275,591
	<u>228,882</u>	<u>125,075</u>	<u>82,177</u>	<u>547,804</u>

	Land 2021 £	Ten North East 2021 £	Total funds 2021 £
Staff costs	92,701	152,732	781,944
Project costs	28,050	25,896	501,373
Rent and rates	-	841	841
Repairs and maintenance	-	1,443	1,443
Printing, postage and stationery	-	385	385
Telephone	-	1,747	1,747
Motor and travel	-	1,556	1,556
Recruitment and training	-	2,375	2,375
General expenses	-	30	30
	<u>120,751</u>	<u>187,005</u>	<u>1,291,694</u>

Basis of allocation of direct costs:

Project costs - actual costs

Staff costs - staff time.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

10. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

Prior year

	<i>Employment</i> 2020 £	<i>Business</i> 2020 £	<i>Education</i> 2020 £	<i>Communities</i> 2020 £
Staff costs	194,897	8,426	107,170	338,286
Project costs	45,476	156,640	37,825	259,054
	<u>240,373</u>	<u>165,066</u>	<u>144,995</u>	<u>597,340</u>
			<i>Ten North</i> <i>East</i> <i>Land</i> 2020 £	<i>activities</i> 2020 £
Staff costs		55,708	196,883	901,370
Project costs		18,830	33,063	550,888
Rent and rates		-	20,990	20,990
Repairs and maintenance		-	3,857	3,857
Printing, postage and stationery		-	3,994	3,994
Telephone		-	1,142	1,142
Motor and travel		-	3,672	3,672
Recruitment and training		-	3,509	3,509
General expenses		-	1,514	1,514
		<u>74,538</u>	<u>268,624</u>	<u>1,490,936</u>

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Employment 2021 £	Business 2021 £	Education 2021 £	Communities 2021 £	Land 2021 £
Staff costs	28,830	2,101	10,444	58,722	16,974
Depreciation	9,728	650	5,129	68,116	6,874
Rates and water	2,172	158	787	4,317	1,279
Light and heat	4,035	294	1,462	8,022	2,376
Insurance	9,769	713	3,539	19,422	5,752
Repairs and maintenance	10,987	802	3,981	21,844	6,469
Security costs	4,269	311	1,547	8,489	2,514
Printing, postage and stationery	858	63	311	1,704	505
Telephone	591	44	214	1,175	348
Motor and travel	471	34	171	936	277
Recruitment and training	346	25	125	688	204
Bank charges	389	28	141	774	229
General expenses	1,175	86	426	2,292	692
Groundwork UK membership fee	935	68	339	1,858	550
Professional fees	1,191	87	432	2,369	701
Irrecoverable VAT	5	-	2	9	3
Governance costs	3,069	224	1,112	6,103	1,807
	<u>78,820</u>	<u>5,688</u>	<u>30,162</u>	<u>206,840</u>	<u>47,554</u>

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

10. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Ten North East activities 2021 £	Total funds 2021 £
Staff costs	27,422	144,493
Depreciation	8,265	98,762
Project costs	2,235	2,235
Rates and water	-	8,713
Light and heat	-	16,189
Insurance	-	39,195
Repairs and maintenance	2,339	46,422
Security costs	-	17,130
Printing, postage and stationery	4,524	7,965
Telephone	990	3,362
Motor and travel	105	1,994
Recruitment and training	49	1,437
Bank charges	649	2,210
General expenses	873	5,544
Groundwork UK membership fee	-	3,750
Professional fees	924	5,704
Irrecoverable VAT	-	19
Governance costs	5,655	17,970
	<u>54,030</u>	<u>423,094</u>

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

10. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Employment</i> 2020 £	<i>Business</i> 2020 £	<i>Education</i> 2020 £	<i>Communities</i> 2020 £	<i>Land</i> 2020 £
Staff costs	24,791	1,415	13,154	54,491	8,002
Depreciation	11,809	2,178	9,822	69,841	4,112
Rates and water	2,294	131	1,217	5,041	740
Light and heat	4,556	260	2,417	10,014	1,470
Insurance	9,177	525	4,869	20,172	2,961
Repairs and maintenance	8,933	511	4,740	19,634	2,883
Security costs	3,567	204	1,893	7,842	1,151
Printing, postage and stationery	6,996	400	3,712	15,376	2,257
Telephone	508	29	270	1,117	164
Motor and travel	1,394	80	740	3,064	450
Recruitment and training	813	46	431	1,787	262
Bank charges	471	27	250	1,037	152
Bad debts	756	43	401	1,663	244
General expenses	2,076	121	1,103	4,564	670
Groundwork UK membership fee	1,521	87	807	3,344	491
Professional fees	1,584	91	840	3,482	511
Loss / (profit) on disposal of fixed assets	(49)	(3)	(26)	(106)	(16)
Irrecoverable VAT	6	-	3	13	2
Governance costs	3,643	208	1,933	8,007	1,176
	<u>84,846</u>	<u>6,353</u>	<u>48,576</u>	<u>230,383</u>	<u>27,682</u>

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

10. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Ten North East activities 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	24,991	126,844
Depreciation	7,937	105,699
Project costs	2,032	2,032
Rates and water	-	9,423
Light and heat	-	18,717
Insurance	2,544	40,248
Repairs and maintenance	-	36,701
Security costs	-	14,657
Printing, postage and stationery	3,329	32,070
Telephone	460	2,548
Motor and travel	269	5,997
Recruitment and training	800	4,139
Bank charges	583	2,520
Bad debts	-	3,107
General expenses	877	9,411
Groundwork UK membership fee	-	6,250
Professional fees	552	7,060
Loss / (profit) on disposal of fixed assets	-	(200)
Irrecoverable VAT	2,992	3,016
Governance costs	9,393	24,360
	<u>56,759</u>	<u>454,599</u>

During the year ended 31 March 2021, the charitable company incurred the following governance costs:

£9,899 (2020 - £10,312) included within the table above in respect of Employment
£722 (2020 - £589) included within the table above in respect of Business
£3,586 (2020 - £5,472) included within the table above in respect of Education
£19,681 (2020- £22,665) included within the table above in respect of Communities
£5,827 (2020- £3,329) included within the table above in respect of Land.
£5,655 (2020 - £9,393) included within the table above in respect of Ten North East.

Basis of allocation of support costs:

Depreciation - project costs

All other support costs - based on income.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

11. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £10,750 (2020 - £10,170), and fees for preparation of the financial statements of £2,625 (2020 - £2,500).

12. Staff costs

	Group 2021	<i>Group 2020</i>	Company 2021	<i>Company 2020</i>
	£	£	£	£
Wages and salaries	925,661	<i>1,061,719</i>	658,353	<i>688,356</i>
Social security costs	53,856	<i>72,822</i>	39,847	<i>42,768</i>
Contribution to defined contribution pension schemes	52,728	<i>83,960</i>	48,083	<i>75,716</i>
	<u>1,032,245</u>	<i><u>1,218,501</u></i>	<u>746,283</u>	<i><u>806,840</u></i>

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

	Group 2021	<i>Group 2020</i>	Company 2021	<i>Company 2020</i>
	No.	No.	No.	No.
Full time	<u>57</u>	<i><u>64</u></i>	<u>41</u>	<i><u>48</u></i>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021	<i>Group 2020</i>
	No.	No.
In the band £60,001 - £70,000	1	<i>1</i>

Key management has been determined to be the Trustees, the chief executive and the chief executive. Trustees receive no remuneration or benefits for their services as trustees. The total remuneration paid to the chief executive and senior management team, including employers national insurance and pension contributions was £88,310 (2020: £92,691) reduced due to the Deputy CEO leaving in February 2019.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

14. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold £	Plant and machinery £	Motor vehicles £	Other fixed assets £	Total £
Cost						
At 1 April 2020	2,752,951	2,831,038	232,587	36,800	421,242	6,274,618
Additions	-	-	-	-	12,195	12,195
Disposals	-	-	-	-	(33,824)	(33,824)
At 31 March 2021	<u>2,752,951</u>	<u>2,831,038</u>	<u>232,587</u>	<u>36,800</u>	<u>399,613</u>	<u>6,252,989</u>
Depreciation						
At 1 April 2020	1,151,500	2,032,628	197,059	36,800	385,908	3,803,895
Charge for the year	48,982	19,474	10,907	-	19,397	98,760
On disposals	-	-	-	-	(33,824)	(33,824)
At 31 March 2021	<u>1,200,482</u>	<u>2,052,102</u>	<u>207,966</u>	<u>36,800</u>	<u>371,481</u>	<u>3,868,831</u>
Net book value						
At 31 March 2021	<u><u>1,552,469</u></u>	<u><u>778,936</u></u>	<u><u>24,621</u></u>	<u><u>-</u></u>	<u><u>28,132</u></u>	<u><u>2,384,158</u></u>
At 31 March 2020	<u><u>1,601,451</u></u>	<u><u>798,410</u></u>	<u><u>35,528</u></u>	<u><u>-</u></u>	<u><u>35,334</u></u>	<u><u>2,470,723</u></u>

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

14. Tangible fixed assets (continued)

Company

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Other fixed assets £	Total £
Cost or valuation						
At 1 April 2020	2,752,951	2,831,038	205,187	36,800	366,299	6,192,275
Additions	-	-	-	-	10,399	10,399
At 31 March 2021	<u>2,752,951</u>	<u>2,831,038</u>	<u>205,187</u>	<u>36,800</u>	<u>376,698</u>	<u>6,202,674</u>
Depreciation						
At 1 April 2020	1,151,500	2,032,628	169,659	36,800	342,683	3,733,270
Charge for the year	48,982	19,474	10,907	-	11,132	90,495
At 31 March 2021	<u>1,200,482</u>	<u>2,052,102</u>	<u>180,566</u>	<u>36,800</u>	<u>353,815</u>	<u>3,823,765</u>
Net book value						
At 31 March 2021	<u><u>1,552,469</u></u>	<u><u>778,936</u></u>	<u><u>24,621</u></u>	<u><u>-</u></u>	<u><u>22,883</u></u>	<u><u>2,378,909</u></u>
At 31 March 2020	<u><u>1,601,451</u></u>	<u><u>798,410</u></u>	<u><u>35,528</u></u>	<u><u>-</u></u>	<u><u>23,616</u></u>	<u><u>2,459,005</u></u>

The Charitable Company has two commercial property partnerships that contribute to the fixed assets of the Charitable Company, below is an overview of the partnerships:

One Trinity Green (OTG) – The Charitable Company, in partnership with South Tyneside Council and with ERDF funding support, constructed OTG in 2012 to support the regeneration of the Laygate area of South Shields. The Charitable Company has a 25% share in OTG that equates to £806,262 of freehold property within the financial statements; and

The Beacon – The Charitable Company, in partnership with Centre West Charitable Trust and with ERDF funding support, constructed The Beacon Community Enterprise Hub in 2011/12. The 125 year collaboration aims to assist in the regeneration of the West End of Newcastle. The Charitable Company has a 42.39% share in The Beacon that equates to £798,410 of leasehold property within the financial statements.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

15. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	3
At 31 March 2021	3
Net book value	
At 31 March 2021	3
At 31 March 2020	3

Principal subsidiaries

The following were subsidiary undertakings of the Company:

Names	Company number	Charity registration number	Class of shares	Holding	Included in consolidation
Windmill Sustainable Business Solutions Limited	05112329		Equity	100%	Yes
Ten North East Limited	02957689	1045638	Sole Member	-%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Surplus/ (Deficit) for the year £	Net assets £
Windmill Sustainable Business Solutions Limited	133,522	(132,368)	1,154	2,493
Ten North East Limited	253,815	(259,182)	(5,367)	53,848

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

16. Stocks

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Work in progress (goods to be sold)	157,380	141,237	157,380	141,237
Finished goods and goods for resale	1,323	345	-	-
	<u>158,703</u>	<u>141,582</u>	<u>157,380</u>	<u>141,237</u>

17. Debtors

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Due within one year				
Trade debtors	171,441	117,448	167,171	107,329
Amounts owed by group undertakings	-	-	58,399	34,086
Other debtors	169,819	305,605	168,732	301,025
Prepayments and accrued income	31,792	43,322	21,796	40,411
	<u>373,052</u>	<u>466,375</u>	<u>416,098</u>	<u>482,851</u>

Included in other debtors are advances made to The Beacon project totalling £28,512 (2020: £57,309).

18. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Bank loans	7,500	-	7,500	-
Trade creditors	155,634	165,833	153,634	156,480
Amounts owed to group undertakings	-	-	16,485	29,087
Other taxation and social security	13,456	34,044	11,362	25,618
Other creditors	11,494	67,324	11,090	66,915
Accruals and deferred income	259,964	164,704	237,778	151,629
	<u>448,048</u>	<u>431,905</u>	<u>437,849</u>	<u>429,729</u>

Included in other creditors is £1,220 (2020: £37,378) being the Charitable Company's cumulative share of losses incurred by the Beacon project.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

19. Creditors: Amounts falling due after more than one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Bank loans	42,500	-	42,500	-

Included within the above are amounts falling due as follows:

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Between one and two years				
Bank loans	10,000	-	10,000	-
Between two and five years				
Bank loans	30,000	-	30,000	-
Over five years				
Bank loans	2,500	-	2,500	-

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Payable or repayable by instalments	2,500	-	2,500	-
	2,500	-	2,500	-

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

20. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds	2,560,397	1,131,708	(817,756)	(148,320)	2,726,029
Restricted funds					
Employment	-	251,000	(296,935)	45,935	-
Business	-	76	(112)	36	-
Education	4,902	44,433	(52,343)	3,008	-
Communities	227,500	260,571	(416,579)	94,806	166,298
Land	-	36,783	(41,318)	4,535	-
Ten North East Activities	18,254	227,101	(213,438)	-	31,917
	<u>250,656</u>	<u>819,964</u>	<u>(1,020,725)</u>	<u>148,320</u>	<u>198,215</u>
Total of funds	<u><u>2,811,053</u></u>	<u><u>1,951,672</u></u>	<u><u>(1,838,481)</u></u>	<u><u>-</u></u>	<u><u>2,924,244</u></u>

TEN North East activities comprise fourteen funds with the aims of supporting Long Term Unemployed and Supporting Young People. Further information on those funds is available within the financial statements of TEN.

Other restricted funds represent project fund income which has been received to enable specific projects to be undertaken in the year.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

20. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£	£
Unrestricted funds					
General Funds - all funds	2,737,453	1,150,642	(1,216,526)	(111,172)	2,560,397
Restricted funds					
Employment	-	259,913	(299,232)	39,319	-
Business	-	1,682	(1,795)	113	-
Education	22,183	10,692	(29,724)	1,751	4,902
Communities	86,862	444,173	(382,197)	78,662	227,500
Land	-	53,250	(44,577)	(8,673)	-
Ten North East Activities	25,769	228,582	(236,097)	-	18,254
	<u>134,814</u>	<u>998,292</u>	<u>(993,622)</u>	<u>111,172</u>	<u>250,656</u>
Total of funds	<u><u>2,872,267</u></u>	<u><u>2,148,934</u></u>	<u><u>(2,210,148)</u></u>	<u><u>-</u></u>	<u><u>2,811,053</u></u>

21. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020	Income	Expenditure	Transfers in/out	Balance at 31 March 2021
	£	£	£	£	£
General funds	2,560,397	1,131,708	(817,756)	(148,320)	2,726,029
Restricted funds	250,656	819,964	(1,020,725)	148,320	198,215
	<u>2,811,053</u>	<u>1,951,672</u>	<u>(1,838,481)</u>	<u>-</u>	<u>2,924,244</u>

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

21. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£	£
General funds	2,737,453	1,150,642	(1,216,526)	(111,172)	2,560,397
Restricted funds	134,814	998,292	(993,622)	111,172	250,656
	<u>2,872,267</u>	<u>2,148,934</u>	<u>(2,210,148)</u>	<u>-</u>	<u>2,811,053</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021	Unrestricted funds 2021	Total funds 2021
	£	£	£
Tangible fixed assets	-	2,384,158	2,384,158
Current assets	198,215	832,419	1,030,634
Creditors due within one year	-	(448,048)	(448,048)
Creditors due in more than one year	-	(42,500)	(42,500)
Total	<u>198,215</u>	<u>2,726,029</u>	<u>2,924,244</u>

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020</i>	<i>Unrestricted funds 2020</i>	<i>Total funds 2020</i>
	£	£	£
Tangible fixed assets	-	2,470,723	2,470,723
Current assets	250,656	521,579	772,235
Creditors due within one year	-	(431,905)	(431,905)
Total	<u>250,656</u>	<u>2,560,397</u>	<u>2,811,053</u>

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

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

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

	Group 2021 £	<i>Group 2020 £</i>
Net income/expenditure for the year (as per Statement of Financial Activities)	113,191	<i>(61,214)</i>
Adjustments for:		
Depreciation charges	98,760	<i>105,699</i>
Loss on the sale of fixed assets	-	<i>81</i>
Increase in stocks	(17,121)	<i>(37,716)</i>
Decrease/(increase) in debtors	93,323	<i>(110,270)</i>
Increase in creditors	8,643	<i>34,319</i>
Net cash provided by/(used in) operating activities	296,796	<i>(69,101)</i>

24. Analysis of cash and cash equivalents

	Group 2021 £	<i>Group 2020 £</i>
Cash in hand	498,879	<i>164,278</i>
Total cash and cash equivalents	498,879	<i>164,278</i>

25. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	164,278	334,601	498,879
Debt due within 1 year	-	(7,500)	(7,500)
Debt due after 1 year	-	(42,500)	(42,500)

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

26. Pension commitments

The Charitable Company also operates a defined contribution scheme through The Federation of Groundwork Trusts which is currently administered by Aegon Scottish Equitable. The scheme is available to all employees. The assets of the scheme are held separately from those of the Charitable Company. The annual contributions payable are charged to the statement of financial activities.

A few current and previous employees of the Charitable Company participate in Tyne and Wear Pension Fund, a defined benefit scheme. However, the scheme is a multiple employer scheme and the Charitable Company is unable to identify its share of the underlying assets and liabilities. Contributions payable to this scheme are charged to the income and expenditure account so as to spread the cost of the pension over the employees' expected working life. The pension charge is calculated on the basis of actuarial advice. The contributions are invested separately from the Charitable Company's assets.

The pension cost charge represents contributions payable by the Charitable Company to the funds during the year and amounted to £52,728 (2020 - £83,960). Contributions totalling £6,767 (2020 - £25,132) were payable to the fund at the balance sheet date.

27. Related party transactions

D Pearce and A Thurston, trustees of the Charitable Company are also trustees of Groundwork North East. During the year ended 31 March 2021 the company procured goods and services from Groundwork North East amounting to £17,495 (net) and an amount of £32,004 was owed to Groundwork North East at the year end. In addition, the charitable company made sales totalling £8,918 (net) to Groundwork North East during the year and an amount of £18,088 was owed by Groundwork North East at the year end.

Andrew Watts, chief executive officer of the Charitable Company, is a trustee of Tyne Coast College Academy Trust (TACT). During the year the Charitable Company made sales totalling £2,555 to one of the "members" of the TACT Trust Portfolio.

Mr C E Potts (trustee of Ten North East Limited) is a director of The Customs House Green Room Limited. During the year ended 31 March 2020 the group incurred expenditure totalling £1,023 from this organisation.

Mr M Charlton, a trustee of Groundwork South and North Tyneside Limited is a partner in Charlton and Co. During the year, the group incurred expenditure of £648 in relation to professional fees provided by Charltons to one of the subsidiaries in the group.

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

28. Collaborations

As explained in Note 14 of the financial statements, Groundwork has two long-term legally binding collaborations, below is an overview of the collaboration:

One Trinity Green (OTG) – The Charitable Company has a long-term collaboration with South Tyneside Council in the development and management of OTG Business Centre. The collaboration is to support the regeneration of the Laygate area of South Shields and development of a Business Incubator that supports new and emerging business leading to business growth and employment opportunities. Through the collaboration, the Charitable Company has a 25% share in OTG.

The Beacon – The Charitable Company has a 125 year collaboration with Centre West Charitable Trust in the development and management of the Beacon Community Enterprise Hub. The collaboration is to support the regeneration of the West End of Newcastle as well as furthering the aims of the two charitable companies. The ethos of the centre is to provide affordable flexible office spaces and artisan workshops to local new and emerging businesses that support the partners' charitable aims. The Charitable Company has nominated two representatives onto The Beacon Partnership Board.

Through the collaboration, the Charitable Company has a 42.39% share in The Beacon. In accordance with Financial Reporting Statement 9 – Accounting for associates, joint ventures and joint arrangements, these financial statements recognise only Groundwork South and North Tyneside's share of the income, expenditure, asset and liabilities of the collaboration project for The Beacon Partnership.

29. Controlling party

The Charitable Company is controlled by the Board of Trustees. No individual has overall control.