

Company registration number: 02592100

Charity registration number: 1007918

GROUNDWORK SOUTH AND NORTH TYNESIDE LIMITED

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023



Groundwork South and North Tyneside Limited

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 14
Independent Auditors' Report	15 to 18
Consolidated Statement of Financial Activities	19
Comparative Consolidated Statement of Financial Activities	20
Consolidated Balance Sheet	21
Balance Sheet	22
Consolidated Statement of Cash Flows	23
Notes to the Financial Statements	24 to 44

Groundwork South and North Tyneside Limited

Reference and Administrative Details

Trustees	D C Pearce, Chair M J Cuthbertson, Vice Chair J D Owen, Treasurer A Whittaker A Siddall (resigned 2 March 2023) Dr C A Ferguson D J O'Mahoney C A Donnelly (resigned 6 June 2023) D Turton A R Thurston M S Overton S Broadhurst (appointed 16 June 2022) K Crews (appointed 16 June 2022) Cllr S Dean (appointed 22 September 2022) S Brand J R Cripps Cllr A Strike (resigned 21 July 2022) R Lee (appointed 23 October 2023) S Brown (appointed 23 October 2023)
Key Management Personnel	Mr A Watts, Chief Executive Officer
Registered Office	The Eco Centre Windmill Way Hebburn Tyne & Wear NE31 1SR The charity is incorporated in England and Wales.
Company Registration Number	02592100
Charity Registration Number	1007918
Solicitors	PGS Law Law Court Chambers Waterloo Square South Shields Tyne and Wear NE33 1AW
Bankers	Royal Bank of Scotland Newcastle 31 Grey St Newcastle upon Tyne NE1 6ES
Auditor	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Groundwork South and North Tyneside Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2023.

The Trustees have adopted the provisions of 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, effective 1 January 2019). The accounts have been prepared in accordance with the Companies Act 2006.

The following information about the financial year 2022/23 is presented in the format required by The Charity Commission.

1. Overview

1.1 Organisational Structure and Decision Making

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 Federation supports the independent charitable trusts with external funding, development of national programmes, business development, national campaigns and distribution of national policies.

1.2 Vision

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.

2. CHARITABLE COMPANY GOVERNANCE, STRUCTURE OBJECTIVES AND ACTIVITIES

2.1 Governing 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 England Chamber of Commerce

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

Trustees' Report

The Charitable Company 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.

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.

The charitable company 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 organisation's assets and projects to obtain first-hand experience of the range of services.

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.

2.2 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
- Property & Asset Strategy

2.3 Business Controls, Systems and Compliance and 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. To support the regional collaboration, this committee has become a Joint NE committee with Trustees from our sister Trust GW North East & Cumbria; this new framework ensures a regional approach to business development, building on knowledge and avoiding duplication.

The management team will develop a framework to monitor progress against the below areas:

- Health & Safety
- Safeguarding
- ISO 14001
- GDPR / ICT
- Equality & Diversity
- Net Zero Action Plan
- Matrix

Groundwork South and North Tyneside Limited

Trustees' Report

2.4. Route 2 Work Governors

To oversee the quality, compliance and learning standards at our Route 2 Work College, the Charitable Company has established 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.

2.5 Jarrow Hall Managing Committee

To oversee the implementation and monitoring of the Masterplan as well as measuring our impact and outcomes against the investment principles, the Charitable Company has created a Jarrow Hall Committee. The role of the committee is to support the outcomes and actions of the Masterplan whilst overseeing the activity and engagement at the Bede Museum and Anglo-Saxon Farm.

The Committee provide the full Board with a regular progress report.

2.6 Charitable Company Objectives

In setting the governing objects, strategic objectives and plans for the future, the Trustees have given due consideration to general guidance published by the charity commission relating to public benefit.

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:

4.1 The relief of poverty in such ways as may be thought fit;

4.2 The relief of unemployment in such ways as may be thought fit including assistance to find employment;

4.3 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;

Groundwork South and North Tyneside Limited

Trustees' Report

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

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

2.7 Strategic 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

Trustees' Report

2.8 Contribution of Volunteers to deliver strategic objectives

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 continued support of SAGE.

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. To support the recommencement of our programmes past pandemic the volunteering opportunities have increased, thanks to the dedication of our volunteers and additional controls they provided over 15,170 volunteering hours to support our vision of changing places, changing lives which equates in total to over £94k in volunteer time.

3. OPERATIONAL ACHIEVEMENTS AND FINANCIAL PERFORMANCE

3.1 Operational Performance

We tackle these inequalities as we continue to work with partners to build green jobs and deliver across four main areas, Empowering Sustainable Communities, Raising Aspirations, Creating Better Places and Enriching Lives Through Culture and Heritage, in the places that need it most.

The financial performance in 2022/23 was very stable. Through a wide range of contracts, commissions and grants from 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.

During the year, 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. To support staff, 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 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.

Groundwork South and North Tyneside Limited

Trustees' 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 to support the staffing and community development of the Big Local.
- National Lottery Fund Grant received from the Local Trust Gardening and Landscaping for Central Jarrow Big Local to undertake local community land projects in Central Jarrow.
- Green Space Forum - National Lottery Community Fund Grant to support local parks community groups / charities with advice, guidance and support.
- National Lottery Community Fund ongoing delivery of Marsden Says to support the development of community programmes and resilience at Marsden Road Centre.
- Museum Development North East for display equipment at Jarrow Hall to enhance the cultural offer.
- LEAP through Agility Eco support people living in poverty and the development of the Green Doctor Service to provide energy efficiency advice and implement energy measures.
- National Lottery Heritage Fund / Green Recovery Challenge Fund in partnership with Groundwork UK to deliver local community and employment related projects under Natural Neighbourhoods programme.
- Sage Foundation to support Jarrow Hall site development and corporate volunteering opportunities for local Sage employees.
- Community Foundation to support local community Jubilee Celebrations and delivery additional Energy Advice and Guidance via Green Doctors.
- Kickstart Programmes, through the Government scheme, we delivered this programme we partnered with South Tyneside Council, Groundwork North East & Cumbria and Groundwork UK to delivery unemployment programmes for young people.
- Holiday Activity and Food Fund, in partnership with South Tyneside Council, we delivered a programme of targeted clubs through school holidays to targets families.
- National Lottery Community Fund Awards for All, to Green Doctor Energy advice and guidance.
- Hadrian Trust to support social action opportunities for young people at Jarrow Hall.
- Sport England to support physical activity for Roue2Work College learners with SEN.
- Know our Neighbourhood social action grant to reduce isolation and improve mental wellbeing.
- John Lewis to support Forest School activity for vulnerable children at West Boldon Lodge.
- Newcastle Building Society to support community activity at Marsden Road Health and Wellbeing Centre.
- AIM New Audiences and New Ideas to engage young people in "A Climate Changed" co-created exhibition at Jarrow Hall.

Groundwork South and North Tyneside Limited

Trustees' Report

- Inspire to support development of Warm Space at Marsden Road Health and Wellbeing Centre.
- Northern Power Grid in partnership with Groundwork Yorkshire for Green Doctor Energy Advice and Guidance.
- National Lottery Community Fund in partnership with Groundwork in the North (Groundwork CLAM lead partner) to deliver Green Community Hubs via West Boldon Lodge.
- Alternative Education Provision, through a framework with North Tyneside Council delivery commenced to support young people.
- National Lottery Climate Action Fund, a partnership grant was secured to delivery pilot Bulky Waste Sustainability Hub project in partnership with South Tyneside Council.
- National Lottery Heritage Fund, to delivery 'Skills for the Past for the Future' at Jarrow Hall.

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

3.2 Contribution to Local Communities

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

3.2.1 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 15,170 hours of community volunteering hours.
- Support 52 young people through the Governments Kickstart Scheme
- Improved 86 acres of community green space and woodland.
- Supported 47 community groups to carry out local projects.
- Supported over 7300 hours of community volunteering hours.
- Support 42 young people through the Governments Kickstart Scheme
- Improved 79 acres of community woodland.
- Supported 31 community groups to carry out local projects.

3.2.2 Improving People's Prospects

We believe that a person's background or circumstances shouldn't 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.

Groundwork South and North Tyneside Limited

Trustees' Report

Last year, Groundwork;

- Supported school children with cultural and environmental education to 160 schools.
- Supported over 800 young people
- Helped 34 specialist needs learners with education and training.

3.2.3 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:

- Supported 151 households with energy advice
- Identified new income / savings of over £20,000
- New community shop channeled over 1000 items into the circular economy and recycling 84 tonnes of items.

3.3 External Challenging Factors Relevant to Achieve Objectives

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.

3.4 Financial Performance

The Charitable Company's and its group had a total income of £2,377,054 compared to £2,009,368 last year.

The statutory position for the year shows a loss of £104k, however, this loss includes £85.8k depreciation linked to our asset portfolio and £40k group reserve under SORP FR102 relating to community project released in prior years. The operational performance shows small operating surplus of £15.8K

During the financial year the Charitable Company secured contracts, service level agreements and grant funding from many organisations including Central Government, North Tyneside Council, South Tyneside Metropolitan Borough Council, South Tyneside Public Health, National Lottery Community Fund, Big Local, Sage Foundation, 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.

Groundwork South and North Tyneside Limited

Trustees' Report

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

At the end of the year the Charitable Company held reserves of £2,778,746 (2022 £2,883,112).

Held as part of the reserves are Freehold and Leasehold properties valued at £2,195,461. 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 £484,046 (2022 £530,192).

3.5 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.

3.6 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.

3.7 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. 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.

4. 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

Trustees' Report

4.1 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 register 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 deliver national programmes.

4.2 Risk Management

The Trustees have examined the major strategic, business and operational risks which the Charity faces 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.

4.3 Reserves Policy

The Trustees have reviewed the Charitable Company's reserves requirements 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.

4.4 Pay Policy for Senior Staff

The Resource Committee of the Board are responsible for the setting of remuneration for the organisation's 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.

Groundwork South and North Tyneside Limited

Trustees' Report

5. PLANS FOR FUTURE PERIODS - FUTURE DEVELOPMENTS

The charitable company in 2023 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.

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 don't 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.

Groundwork South and North Tyneside Limited

Trustees' Report

- 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

To support the plans for the future, a number of Key Deliverables have been 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 Groundwork in the North to develop enhanced collaboration and business development.

Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Groundwork South and North Tyneside Limited

Trustees' Report

Statement of Trustees' Responsibilities

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

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

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

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

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 21/12/2023.... and signed on its behalf by:



Jeff Owen 21 Dec 2023 16:18:29 GMT (UTC +0)

J D Owen
Trustee

Groundwork South and North Tyneside Limited

Independent Auditor's 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 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 parent charity's affairs as at 31 March 2023 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.

Basis for opinion

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

Conclusions relating to going concern

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 ability to continue as a going concern for a period of at least twelve months from when the financial statements were 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.

Other information

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

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

Groundwork South and North Tyneside Limited

Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited

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 and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the and Trustees' Report have 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Report.

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

- adequate accounting records have not been kept by the parent charitable company, 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 14), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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

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

Groundwork South and North Tyneside Limited

Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited

Enquiries with management about any known or suspected instances of non-compliance with laws and regulations including fraud;

- Reviewing the most recent reports issued by regulators;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: compliance with the UK Companies Act, and the Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or recognise the non-compliance.

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

Groundwork South and North Tyneside Limited

Independent Auditor's Report to the Members of Groundwork South and North Tyneside Limited

Use of our report

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

Azets

Simon Brown 22 Dec 2023 12:02:24 GMT (UTC +0)

Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 22/12/2023

Azets Audit Services is a trading name of Azets Audit Services Limited.

Groundwork South and North Tyneside Limited

Consolidated Statement of Financial Activities for the Year Ended 31 March 2023

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	36,912	30,000	66,912	73,321
Charitable activities	4	903,912	1,152,553	2,056,465	1,687,267
Other trading activities	5	157,677	-	157,677	143,015
Investment income	6	95,030	-	95,030	91,387
Other income	7	970	-	970	14,378
Total Income		1,194,501	1,182,553	2,377,054	2,009,368
Expenditure on:					
Raising funds		(152,918)	-	(152,918)	(141,808)
Charitable activities	8	(977,170)	(1,351,332)	(2,328,502)	(1,908,694)
Total Expenditure		(1,130,088)	(1,351,332)	(2,481,420)	(2,050,502)
Net income/(expenditure)		64,413	(168,779)	(104,366)	(41,134)
Transfers between funds		(113,327)	113,327	-	-
Net movement in funds		(48,914)	(55,452)	(104,366)	(41,134)
Reconciliation of funds					
Total funds brought forward		2,725,180	157,932	2,883,112	2,924,246
Total funds carried forward	23	2,676,266	102,480	2,778,746	2,883,112

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 23.

Groundwork South and North Tyneside Limited

Comparative Consolidated Statement of Financial Activities for the Year Ended 31 March 2022

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	73,321	-	73,321
Charitable activities	4	594,694	1,092,573	1,687,267
Other trading activities	5	143,015	-	143,015
Investment income	6	91,387	-	91,387
Other income	7	14,378	-	14,378
Total income		916,795	1,092,573	2,009,368
Expenditure on:				
Raising funds		(141,808)	-	(141,808)
Charitable activities	8	(764,494)	(1,144,200)	(1,908,694)
Total expenditure		(906,302)	(1,144,200)	(2,050,502)
Net income/(expenditure)		10,493	(51,627)	(41,134)
Transfers between funds		(11,344)	11,344	-
Net movement in funds		(851)	(40,283)	(41,134)
Reconciliation of funds				
Total funds brought forward		2,726,031	198,215	2,924,246
Total funds carried forward	23	2,725,180	157,932	2,883,112


Groundwork South and North Tyneside Limited

(Registration number: 02592100)

Consolidated Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	2,294,700	2,352,920
Current assets			
Stocks	17	8,580	4,160
Debtors	18	548,375	676,894
Cash at bank and in hand	19	593,032	434,362
		<u>1,149,987</u>	<u>1,115,416</u>
Creditors: Amounts falling due within one year	20	<u>(642,006)</u>	<u>(552,175)</u>
Net current assets		<u>507,981</u>	<u>563,241</u>
Total assets less current liabilities		2,802,681	2,916,161
Creditors: Amounts falling due after more than one year	21	<u>(23,935)</u>	<u>(33,049)</u>
Net assets		<u>2,778,746</u>	<u>2,883,112</u>
Funds of the group:			
Restricted		102,480	157,932
Unrestricted income funds			
General funds		<u>2,676,266</u>	<u>2,725,180</u>
Total funds	23	<u>2,778,746</u>	<u>2,883,112</u>

The financial statements on pages 19 to 44 were approved by the trustees, and authorised for issue on 21/12/2023.... and signed on their behalf by:


Jeff Owen 21 Dec 2023 16:18:29 GMT (UTC +0)

 J D Owen
 Trustee

Groundwork South and North Tyneside Limited

(Registration number: 02592100) Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	2,293,507	2,348,893
Investments	16	<u>3</u>	<u>3</u>
		<u>2,293,510</u>	<u>2,348,896</u>
Current assets			
Debtors	18	540,894	661,309
Cash at bank and in hand	19	<u>505,102</u>	<u>376,101</u>
		1,045,996	1,037,410
Creditors: Amounts falling due within one year	20	<u>(611,946)</u>	<u>(538,063)</u>
Net current assets		<u>434,050</u>	<u>499,347</u>
Total assets less current liabilities		2,727,560	2,848,243
Creditors: Amounts falling due after more than one year	21	<u>(23,935)</u>	<u>(33,049)</u>
Net assets		<u>2,703,625</u>	<u>2,815,194</u>
Funds of the charity:			
Restricted		79,104	127,898
Unrestricted income funds			
Unrestricted funds		<u>2,624,521</u>	<u>2,687,296</u>
Total funds	23	<u>2,703,625</u>	<u>2,815,194</u>

The financial statements on pages 19 to 44 were approved by the trustees, and authorised for issue on 21/12/2023.... and signed on their behalf by:



Jeff Owen 21 Dec 2023 18:18:29 GMT (UTC +0)

J D Owen
Trustee

Groundwork South and North Tyneside Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash expenditure		(104,366)	(41,134)
Adjustments to cash flows from non-cash items			
Depreciation		91,173	90,636
Investment income	6	<u>(95,030)</u>	<u>(91,387)</u>
		(108,223)	(41,885)
Working capital adjustments			
Increase in stocks	17	(4,420)	(2,837)
Decrease/(increase) in debtors	18	128,519	(146,461)
Increase in creditors	20	<u>90,000</u>	<u>102,176</u>
Net cash flows from operating activities		<u>105,876</u>	<u>(89,007)</u>
Cash flows from investing activities			
Interest receivable and similar income	6	95,030	91,387
Purchase of tangible fixed assets	15	<u>(32,953)</u>	<u>(59,397)</u>
Net cash flows from investing activities		62,077	31,990
Cash flows from financing activities			
Repayment of loans and borrowings	20	<u>(9,283)</u>	<u>(7,500)</u>
Net increase/(decrease) in cash and cash equivalents		158,670	(64,517)
Cash and cash equivalents at 1 April		<u>434,362</u>	<u>498,879</u>
Cash and cash equivalents at 31 March		<u><u>593,032</u></u>	<u><u>434,362</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. 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 address of its registered office is: The Eco Centre, Windmill Way, Hebburn, Tyne & Wear, NE31 1SR

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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

Basis of preparation

Groundwork South and North Tyneside 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 notes.

The functional currency of the group is the £ Sterling.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2023.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit after tax for the financial year of £111,569 (2022 - £52,714.)

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group.

Estimation uncertainty and judgements

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

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

There are no significant accounting estimates which are considered to materially impact the financial statements.

Income and endowments

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

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Government grants

Government grants are recognised based on the performance model and are measured at the fair value of the asset received or receivable. Grants are recognised in income where there are no performance conditions. If there are such performance conditions, then the income is deferred and recognised as deferred income within creditors.

Taxation

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

Tangible fixed assets

Individual fixed assets costing £1,000.00 or more are initially recorded at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land and Buildings	2% Straight Line
Plant and Machinery	6.67% straight line
Motor vehicles	20% straight line
Other Tangible fixed assets	between 20% and 40% straight line

Stock

Stock is valued at the lower of cost and net realisable value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

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

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the group.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Pensions and other post retirement obligations

The group operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

The Charitable Company also operates a defined benefit 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 the 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.

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 exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Donations and legacies;			
Donations	4,343	-	4,343
Grants, including capital grants;			
Government grants	22,389	-	22,389
Grants	10,180	30,000	40,180
	<u>36,912</u>	<u>30,000</u>	<u>66,912</u>

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

	Unrestricted funds General £	Total 2022 £
Donations and legacies;		
Donations	20,137	20,137
Legacies	10,000	10,000
Grants, including capital grants;		
Government grants	28,725	28,725
Grants	14,459	14,459
	<u>73,321</u>	<u>73,321</u>

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Project Income - Employment/SEN	6,283	431,008	437,291
Project Income - Business	307,374	1,671	309,045
Project Income - Education	82,800	49,804	132,604
Project Income - Communities	370,710	399,485	770,195
Project Income - Land	131,890	35,675	167,565
Ten North East Activities	4,855	234,910	239,765
	<u>903,912</u>	<u>1,152,553</u>	<u>2,056,465</u>
	Unrestricted funds General £	Restricted funds £	Total 2022 £
Project Income - Employment/SEN	2,906	489,420	492,326
Project Income - Business	25,784	-	25,784
Project Income - Education	77,282	47,274	124,556
Project Income - Communities	365,890	352,908	718,798
Project Income - Land	122,832	20,947	143,779
Ten North East Activities	-	182,024	182,024
	<u>594,694</u>	<u>1,092,573</u>	<u>1,687,267</u>

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

5 Income from other trading activities

	Unrestricted funds General £	Total 2023 £
Income from trading subsidiary		
Trading income - Windmill	157,677	157,677
	<u>157,677</u>	<u>157,677</u>
	Unrestricted funds General £	Total 2022 £
Income from trading subsidiary		
Trading income - Windmill	143,015	143,015
	<u>143,015</u>	<u>143,015</u>

6 Investment income

	Unrestricted funds General £	Total 2023 £
Interest receivable and similar income;		
Interest receivable on bank deposits	1,887	1,887
Income from rents from Eco Centre	93,143	93,143
	<u>95,030</u>	<u>95,030</u>
	Unrestricted funds General £	Total 2022 £
Interest receivable and similar income;		
Interest receivable on bank deposits	163	163
Income from rents from Eco Centre	91,224	91,224
	<u>91,387</u>	<u>91,387</u>

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

7 Other income

	Unrestricted funds General £	Total 2023 £
Other income	<u>970</u>	<u>970</u>
	Unrestricted funds General £	Total 2022 £
Other income	<u>14,378</u>	<u>14,378</u>

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

8 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Employment/SEN	6,282	431,008	437,290
Business	194,366	596	194,962
Education	91,919	60,624	152,543
Communities	393,784	553,018	946,802
Land	127,477	35,675	163,152
Ten North East Activities	163,342	270,411	433,753
	<u>977,170</u>	<u>1,351,332</u>	<u>2,328,502</u>
	Unrestricted funds General £	Restricted funds £	Total 2022 £
Employment	155,063	484,196	639,259
Business	21,305	-	21,305
Education	72,679	53,238	125,917
Communities	391,140	396,164	787,304
Land	103,913	24,750	128,663
Ten North East Activities	20,394	185,852	206,246
	<u>764,494</u>	<u>1,144,200</u>	<u>1,908,694</u>
	Activity undertaken directly £	Activity support costs £	2023 £
Employment/SEN	338,585	98,705	437,290
Business	125,046	69,916	194,962
Education	123,754	28,789	152,543
Communities	769,955	176,847	946,802
Land	126,137	37,015	163,152
Ten North East Activities	359,961	73,792	433,753
	<u>1,843,438</u>	<u>485,064</u>	<u>2,328,502</u>

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

	Activity undertaken directly £	Activity support costs £	2022 £
Employment/SEN	479,062	160,197	639,259
Business	11,597	9,708	21,305
Education	87,081	38,836	125,917
Communities	559,146	228,158	787,304
Land	80,119	48,544	128,663
Ten North East Activities	160,701	45,545	206,246
	<u>1,377,706</u>	<u>530,988</u>	<u>1,908,694</u>

In addition to the expenditure analysed above, there are also governance costs of £11,940 (2022 - £14,103) which relate directly to charitable activities. See note 9 for further details.

9 Analysis of governance and support costs

Support costs allocated to charitable activities

	Employment £	Business £	Education £	Communities £	Land £	Ten North East Activities £	Total 2023 £
Staff costs	14,281	10,115	4,165	25,587	5,355	49,474	108,977
Depreciation	18,937	13,414	5,523	33,930	7,102	2,835	81,741
Premises Costs	11,367	8,052	3,315	20,366	4,262	-	47,362
Repairs and maintenance	6,778	4,801	1,977	12,143	2,542	-	28,241
Security costs	3,416	2,420	996	6,121	1,281	-	14,234
Office costs	17,102	12,114	4,988	30,641	6,413	3,604	74,862
Motor and travel	1,038	735	303	1,860	389	1,403	5,728
Bank charges	1,631	1,155	475	2,921	612	791	7,585
General expenses	1,343	949	391	2,401	503	4,166	9,753
Professional Fees	12,252	8,678	3,573	21,951	4,595	11,519	62,568
Groundwork UK Membership	1,760	1,247	513	3,153	660	-	7,333
Governance costs	<u>8,803</u>	<u>6,235</u>	<u>2,568</u>	<u>15,773</u>	<u>3,301</u>	<u>-</u>	<u>36,680</u>
	<u>98,708</u>	<u>69,915</u>	<u>28,787</u>	<u>176,847</u>	<u>37,015</u>	<u>73,792</u>	<u>485,064</u>

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

	Employment Business		EducationCommunities		Land	Ten North East Activities	Total 2022
	£	£	£	£	£	£	£
Staff costs	62,577	3,793	15,170	89,125	18,963	23,551	213,179
Depreciation	26,331	1,596	6,383	37,502	7,979	4,083	83,874
Premises Costs	26,873	1,629	6,515	38,273	8,143	-	81,433
Repairs and maintenance	6,240	376	1,513	8,883	1,890	38	18,940
Security costs	5,034	305	1,220	7,170	1,526	-	15,255
Office costs	9,915	601	2,404	14,122	3,004	610	30,656
Motor and travel	1,184	72	287	1,687	359	395	3,984
Bank charges	645	39	156	919	195	570	2,524
General expenses	13,070	792	3,169	18,615	3,961	170	39,777
Professional Fees	1,631	99	395	2,323	494	13,321	18,263
Groundwork UK Membership	2,970	180	720	4,230	900	-	9,000
Governance costs	3,727	226	904	5,309	1,130	2,807	14,103
	<u>160,197</u>	<u>9,708</u>	<u>38,836</u>	<u>228,158</u>	<u>48,544</u>	<u>45,545</u>	<u>530,988</u>

10 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2023 £	2022 £
Audit fees	11,700	9,750
Depreciation of fixed assets	<u>91,173</u>	<u>90,636</u>

11 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

12 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	1,289,207	1,176,339
Social security costs	79,226	65,661
Pension costs	70,222	58,618
	<u>1,438,655</u>	<u>1,300,618</u>

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2023 No	2022 No
Full time	<u>62</u>	<u>66</u>

The number of employees whose emoluments fell within the following bands was:

	2023 No	2022 No
£60,001 - £70,000	-	1
£90,001 - £100,000	<u>1</u>	<u>-</u>

The total employee benefits of the key management personnel of the group were £118,688 (2022 - £87,756).

13 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>11,700</u>	<u>9,750</u>

14 Taxation

The group is a registered charity and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

15 Tangible fixed assets

Group

	Land and buildings £	Plant and machinery £	Motor vehicles £	TEN Fixtures £	Total £
Cost					
At 1 April 2022	5,583,989	222,551	82,396	410,691	6,299,627
Additions	-	6,953	26,000	-	32,953
At 31 March 2023	<u>5,583,989</u>	<u>229,504</u>	<u>108,396</u>	<u>410,691</u>	<u>6,332,580</u>
Depreciation					
At 1 April 2022	3,320,550	200,740	43,515	381,902	3,946,707
Charge for the year	67,978	3,023	9,244	10,928	91,173
At 31 March 2023	<u>3,388,528</u>	<u>203,763</u>	<u>52,759</u>	<u>392,830</u>	<u>4,037,880</u>
Net book value					
At 31 March 2023	<u>2,195,461</u>	<u>25,741</u>	<u>55,637</u>	<u>17,861</u>	<u>2,294,700</u>
At 31 March 2022	<u>2,263,439</u>	<u>21,811</u>	<u>38,881</u>	<u>28,789</u>	<u>2,352,920</u>

Included within the net book value of land and buildings above is £1,454,492 (2022 - £1,503,486) in respect of freehold land and buildings and £740,969 (2022 - £759,953) in respect of leaseholds.

Charity

	Land and buildings £	Plant and machinery £	Motor vehicles £	Other tangible fixed asset £	Total £
Cost					
At 1 April 2022	5,583,989	205,646	82,396	387,180	6,259,211
Additions	-	6,953	26,000	-	32,953
At 31 March 2023	<u>5,583,989</u>	<u>212,599</u>	<u>108,396</u>	<u>387,180</u>	<u>6,292,164</u>
Depreciation					
At 1 April 2022	3,320,550	183,835	43,516	362,418	3,910,319
Charge for the year	67,978	3,023	9,244	8,093	88,338
At 31 March 2023	<u>3,388,528</u>	<u>186,858</u>	<u>52,760</u>	<u>370,511</u>	<u>3,998,657</u>
Net book value					
At 31 March 2023	<u>2,195,461</u>	<u>25,741</u>	<u>55,636</u>	<u>16,669</u>	<u>2,293,507</u>
At 31 March 2022	<u>2,263,439</u>	<u>21,811</u>	<u>38,880</u>	<u>24,762</u>	<u>2,348,892</u>

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Included within the net book value of land and buildings above is £1,454,492 (2022 - £1,503,486) in respect of freehold land and buildings and £740,969 (2022 - £759,953) in respect of leaseholds.

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 £786,756 of Land and Buildings 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 £759,952 of Land and Buildings within the financial statements.

16 Fixed asset investments

Group

	2023 £	2022 £
Shares in group undertakings and participating interests	-	-

Charity

	2023 £	2022 £
Shares in group undertakings and participating interests	<u>3</u>	<u>3</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2022	<u>3</u>	<u>3</u>
At 31 March 2023	<u>3</u>	<u>3</u>
Net book value		
At 31 March 2023	<u>3</u>	<u>3</u>
At 31 March 2022	<u>3</u>	<u>3</u>

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2023	2022
Subsidiary undertakings				
Windmill Sustainable Business Solutions Limited	England and Wales	Equity	100%	100%
Ten North East Limited	England and Wales	Sole Member	100%	100%

Subsidiaries

The surplus for the financial period of Windmill Sustainable Business Solutions Limited was £4,760 (2022 - £5,614) and the aggregate amount of capital and reserves at the end of the period was £12,807 (2022 - £8,107).

The surplus for the financial period of Ten North East Limited was £2,444 (2022 - £5,966) and the aggregate amount of capital and reserves at the end of the period was £62,258 (2022 - £59,814).

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

17 Stock

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Work in progress	<u>8,580</u>	<u>4,160</u>	<u>-</u>	<u>-</u>

18 Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	274,354	377,482	257,414	352,055
Due from group undertakings	-	-	27,766	20,330
Prepayments	18,264	11,964	18,264	9,068
Accrued income	159,286	146,633	159,286	146,633
Other debtors	<u>96,471</u>	<u>140,815</u>	<u>78,164</u>	<u>133,223</u>
	<u>548,375</u>	<u>676,894</u>	<u>540,894</u>	<u>661,309</u>

19 Cash and cash equivalents

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Cash at bank	<u>593,032</u>	<u>434,362</u>	<u>505,102</u>	<u>376,101</u>

20 Creditors: amounts falling due within one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Bank loans	9,282	9,451	9,282	9,451
Trade creditors	199,264	180,770	193,837	167,586
Due to group undertakings	-	-	-	15,312
Other taxation and social security	12,947	13,603	12,581	13,603
VAT	23,965	20,676	23,965	20,676
Other creditors	18,273	8,611	18,273	8,611
Accruals and deferred income	<u>378,275</u>	<u>319,064</u>	<u>354,008</u>	<u>302,824</u>
	<u>642,006</u>	<u>552,175</u>	<u>611,946</u>	<u>538,063</u>

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

21 Creditors: amounts falling due after one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Bank loans	<u>23,935</u>	<u>33,049</u>	<u>23,935</u>	<u>33,049</u>

The loan detailed above is a Bounce Back Loan that was obtained in July 2020. The loan period was agreed as six years with an interest rate of 2.5% above Bank of England base rate. The loan will be fully repaid in July 2026. No security was provided against the loan.

22 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £70,233 (2022 - £58,618).

Contributions totalling £18,393 (2022 - £8960) were payable to the scheme at the end of the year and are included in creditors.

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

23 Funds

Group

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
<i>General</i>					
General funds	2,725,180	1,194,501	(1,130,088)	(113,327)	2,676,266
Restricted funds					
Business	-	1,671	(596)	(1,075)	-
Education	-	49,804	(60,624)	10,820	-
Communities	127,898	399,485	(553,018)	103,582	77,947
Land	-	35,675	(35,675)	-	-
Ten North East Activities	30,034	264,910	(270,411)	-	24,533
SEN Provision	-	431,008	(431,008)	-	-
Total restricted funds	157,932	1,182,553	(1,351,332)	113,327	102,480
Total funds	2,883,112	2,377,054	(2,481,420)	-	2,778,746
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £
Unrestricted funds					
<i>General</i>					
General funds	2,726,031	916,795	(906,302)	(11,344)	2,725,180
Restricted funds					
Employment	-	489,420	(484,196)	(5,224)	-
Education	-	47,274	(53,238)	5,964	-
Communities	166,298	352,908	(396,164)	4,856	127,898
Land	-	20,947	(24,750)	3,803	-
Ten North East Activities	31,917	182,024	(185,852)	1,945	30,034
Total restricted funds	198,215	1,092,573	(1,144,200)	11,344	157,932
Total funds	2,924,246	2,009,368	(2,050,502)	-	2,883,112

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

The specific purposes for which the funds are to be applied are as follows:

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.

24 Analysis of net assets between funds

Group

	Unrestricted General £	Restricted £	Total funds £
Tangible fixed assets	2,294,700	-	2,294,700
Net current assets/(liabilities)	405,501	102,480	507,981
Creditors over 1 year	(23,935)	-	(23,935)
Total net assets	2,676,266	102,480	2,778,746
	Unrestricted General £	Restricted £	Total funds at 31 March 2022 £
Tangible fixed assets	2,352,920	-	2,352,920
Net current assets/(liabilities)	405,309	157,932	563,241
Creditors over 1 year	(33,049)	-	(33,049)
Total net assets	2,725,180	157,932	2,883,112

25 Analysis of net funds

Group

	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	434,362	158,670	593,032
Debt due within one year	(9,451)	169	(9,282)
Debt due after more than one year	(33,049)	9,114	(23,935)
Net funds	391,862	167,953	559,815

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

	At 1 April 2021	Financing cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	498,879	(64,517)	434,362
Debt due within one year	(7,500)	(1,951)	(9,451)
Debt due after more than one year	<u>(42,500)</u>	<u>9,451</u>	<u>(33,049)</u>
Net funds	<u>448,879</u>	<u>(57,017)</u>	<u>391,862</u>

26 Related party transactions

Group

During the year the group made the following related party transactions:

Groundwork North East

(Common Trustees)

D Pearce and A Thurston, trustees of the charitable company are also trustees of Groundwork North East. During the year ended 31 March 2023 the company procured goods and services from Groundwork North East amounting to £Nil (2022: £35,795 and made sales to Groundwork North East amounting to £83,602 (2021: £59,123). At the balance sheet date the amount due to/from Groundwork North East was £Nil (2022 - £Nil).

27 Collaborations

As explained in note 15 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.