

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 2025

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
Consolidated Balance Sheet	20
Balance Sheet	21
Consolidated Statement of Cash Flows	22
Notes to the Financial Statements	23 to 45
Comparative Consolidated Statement of Financial Activities	46

Groundwork South and North Tyneside Limited

Reference and Administrative Details

Trustees

D C Pearce, Chair
M J Cuthbertson, Vice Chair (resigned 5 December 2024)
J D Owen, Treasurer (resigned 20 March 2025)
A Whittaker
D J O'Mahoney
D Turton (resigned 5 December 2024)
A R Thurston
S Broadhurst
Cllr S Dean
S Brand
J R Cripps
R Lee
S Brown
G S Symington (appointed 7 January 2025)
A Woods (appointed 13 June 2024)
L Marshall (appointed 28 April 2025)
J S Hassan (appointed 15 January 2025)
J R A Craft (appointed 13 January 2025)

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

1. Overview

The Trustees (who are also directors of the charity for the purposes of company law) submit their annual report and the audited financial statements of Groundwork South and North Tyneside, (the Charitable Company) for the year ended 31 March 2025. The financial statements have been prepared in accordance with the accounting policies and comply with the Charitable Company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The following information about the financial year 2024/25 is presented in the format required by The Charity Commission.

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 Federation of Groundwork Trusts.

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/ EDI
- Property & Asset Strategy
- Compliance (Health & Safety, Safeguarding and GDPR / ICT)
- Quality Standards (including ISO 14001, Better Health @ Work, Disability Confidence)
- Risk Register and Risk Management
- Net Zero Action Plan

Groundwork South and North Tyneside Limited

Trustees Report

2.3. 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.

2.4 Jarrow Hall 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.

2.5 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.

Groundwork South and North Tyneside Limited

Trustees Report

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 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

2.6 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

2.7 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 volunteering opportunities to 647 local people to support our vision of changing places, changing lives which equates in total to over 9,900 hours of in-kind support.

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 2024/25 was 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:

Groundwork Charitable Trust:

- Arts Council England, National Portfolio Organisation (NPO), the charitable company secured NPO status and grant to support the cultural offer at Jarrow Hall.
- The National Lottery Community Fund Reaching Communities ongoing delivery of Marsden Says to support the development of community programmes and resilience at Marsden Road Centre.
- 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.
- Sage Foundation to support Jarrow Hall site development and corporate volunteering opportunities for local Sage employees.
- National Grid for the continued development of environmental education centres and services via West Boldon Lodge.
- Children in Need Small Grant to support Forest Playschool at West Boldon Lodge to support young people connecting with nature.
- Holiday Activity and Food Fund, in partnership with South Tyneside Council, we delivered a programme of targeted clubs through school holidays to target families.
- Know our Neighbourhood social action grant to reduce isolation and improve mental wellbeing via Community Foundation
- Northern Power Grid in partnership with Groundwork Yorkshire for Green Doctor Energy Advice and Guidance.
- The National Lottery Community Fund in partnership with Groundwork in the North (Groundwork CLAM lead partner) to deliver Green Community Hubs.
- Alternative Education Provision, through a framework with North and South Tyneside Council delivery commenced to support young people.
- National Lottery Climate Action Fund, a partnership grant was secured to deliver pilot Bulky Waste Sustainability Hub project in partnership with South Tyneside Council.
- South Tyneside Council to support delivery Carbon Literacy training
- Northumbria Water and Groundwork East to support delivery of Water Literacy Training.
- National Lottery Heritage Fund, for ongoing delivery of 'Skills for the Past for the Future' at Jarrow Hall.
- Wild Isles secured through Groundwork Manchester for community enabling for grant support for environmental focused activity.
- Masonic Charitable Trust to support Forest Playschool at West Boldon Lodge and Jarrow Hall.
- Tesco Bag for Help via Groundwork UK to support Community Development and local grants.
- Land Trust for the management of Monkton Community Woodland.
- South Tyneside Council UKSPF for capital improvements and installation of outdoor classroom/learning space at Jarrow Hall, with linked social action and personal development activity - spent in the 2024/25 financial year.
- LEAD project in partnership with GWNE&C and Energy Saving Trust to deliver information, advice and guidance for domestic retrofit.
- Cadent/VCMA through GWUK to deliver energy advice and support people in fuel poverty.
- TT2 to support green space, habitat improvements and community engagement / nature connection at Monkton Community Woodland.
- Stronger Shores led by South Tyneside Council for the delivery of Coastal Schools.
- Sports England to support Route2Work College to facilitate physical activity.
- Key Fund to support positive youth led activities through Route2Work College.
- Public Health via South Tyneside Council for the delivery of Green Exercise programme.
- South Tyneside Council UKSPF and Arts Council England via Place Partnership through Making Waves Cultural Partnership to deliver Out & About cultural activity.

Groundwork South and North Tyneside Limited

Trustees Report

TEN North East

- Children in Need Main Grant to deliver emotional wellbeing support for young carers.
- National Lottery Community Fund to deliver respite support activities for young carers and families.
- The Balingr Charitable Trust to support the delivery of respite support services for young carers.
- Holiday Activity and Food Fund, in partnership with South Tyneside Council, we delivered a programme of targeted clubs through school holidays to targets families.
- LGA Foundation to support activity costs for respite services for young carers.
- Consortium Partnership led by Newcastle Carers via North East Combined Authority to support young carers in schools.

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:

- **Empowering Fair and Sustainable Communities Reducing Inequalities** by supporting and enabling individuals and communities.
- **Creating Better Places** by developing accessible high quality built and green spaces that provide natural capital and improve wellbeing.
- **Raising Aspirations by Creating Better Prospects.** Supporting individuals and families to be resilient, confident, ambitious and independent.
- **Enriching Lives through Environment, Culture and Heritage.** Inspiring engagement and discovery informed by our past, present and future.

Groundwork South and North Tyneside Limited

Trustees Report

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.

Through the emerging new devolution deal under the North East Combined Authority covering the 7 northern LA areas, there is the potential to explore new funding and commissioning frameworks to further our objectives, where delivery will align with the Combined Authority priorities.

3.4 Financial Performance

The Charitable Company's turnover was £2,931,913 including the income through Beacon Partnership compared to £2,553,579 last year.

The statutory position for the year shows a loss of £52,298 however, this loss includes £103,777 depreciation linked to our asset portfolio.

During the financial year the Charitable Group 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, Sage Foundation, Land Trust, Ward Improvement Fund, National Grid, The Ballinger Trust, Tesco, Agility Eco, Masonic Charitable Trust, Community Foundation and LGA Foundation.

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

At the end of the year the Charitable Group held reserves of £2,697,422 (2024: £2,749,720).

Held as part of the reserves are freehold and leasehold properties totalling £2,113,145 as part of the total fixed assets totalling £2,189,860. The charitable group holds free net current assets as of 31st March 2025 totalling £333,401 made up of £270,926 general funds and £62,475 designated funds (2024 free net reserves £428,451).

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.

Groundwork South and North Tyneside Limited

Trustees Report

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

Back in 2023, The charitable company 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 are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 the incoming resources and application of resources, including the income and expenditure of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

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.

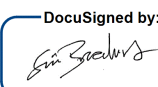
Disclosure of information to auditor

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 11 December 2025 and signed on its behalf by:

DocuSigned by:

.....931AE575A0E44D6.....
S Broadhurst
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 2025, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, 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 2025 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.

Groundwork South and North Tyneside Limited

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

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

We have nothing to report in this regard.

Opinion on other matter 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, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within 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 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.

Groundwork South and North Tyneside Limited

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

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:

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

A further description of our responsibilities is available 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

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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Signed by:

Simon Brown

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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

11 December 2025

Date:.....

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 2025

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

	Note	Unrestricted £	Restricted £	Total 2025 £	Total 2024 £
Income and Endowments from:					
Donations and legacies	3	87,707	-	87,707	30,547
Charitable activities	4	2,125,810	466,719	2,592,529	2,269,828
Other trading activities	5	200,202	-	200,202	162,329
Investment income	6	51,475	-	51,475	71,419
Other income	7	-	-	-	19,456
Total Income		<u>2,465,194</u>	<u>466,719</u>	<u>2,931,913</u>	<u>2,553,579</u>
Expenditure on:					
Raising funds		(193,731)	-	(193,731)	(147,053)
Charitable activities	8	<u>(2,407,943)</u>	<u>(382,537)</u>	<u>(2,790,480)</u>	<u>(2,435,552)</u>
Total Expenditure		<u>(2,601,674)</u>	<u>(382,537)</u>	<u>(2,984,211)</u>	<u>(2,582,605)</u>
Net (expenditure)/income		(136,480)	84,182	(52,298)	(29,026)
Transfers between funds		<u>(4,474)</u>	<u>4,474</u>	-	-
Net movement in funds		(140,954)	88,656	(52,298)	(29,026)
Reconciliation of funds					
Total funds brought forward		<u>2,660,407</u>	<u>89,313</u>	<u>2,749,720</u>	<u>2,778,746</u>
Total funds carried forward	24	<u>2,519,453</u>	<u>177,969</u>	<u>2,697,422</u>	<u>2,749,720</u>

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

The funds breakdown for 2024 is shown in note 24.

Groundwork South and North Tyneside Limited

(Registration number: 02592100)

Consolidated Balance Sheet as at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	15	2,189,860	2,245,950
Current assets			
Stocks	17	3,712	3,140
Debtors	18	251,847	404,354
Cash at bank and in hand	19	579,476	491,376
		<u>835,035</u>	<u>898,870</u>
Creditors: Amounts falling due within one year	20	<u>(323,665)</u>	<u>(381,106)</u>
Net current assets		<u>511,370</u>	<u>517,764</u>
Total assets less current liabilities		2,701,230	2,763,714
Creditors: Amounts falling due after more than one year	21	<u>(3,808)</u>	<u>(13,994)</u>
Net assets		<u>2,697,422</u>	<u>2,749,720</u>
Funds of the group:			
Restricted		<u>177,969</u>	<u>89,313</u>
Unrestricted income funds			
Designated funds		62,475	85,394
General funds		2,456,978	2,575,013
Total unrestricted funds		<u>2,519,453</u>	<u>2,660,407</u>
Total funds	24	<u>2,697,422</u>	<u>2,749,720</u>

The financial statements on pages 19 to 46 were approved by the trustees, and authorised for issue on 11 December 2025 and signed on their behalf by:

DocuSigned by:



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S Broadhurst


Trustee

Groundwork South and North Tyneside Limited

(Registration number: 02592100) Balance Sheet as at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	15	2,189,860	2,245,950
Investments	16	3	3
		<u>2,189,863</u>	<u>2,245,953</u>
Current assets			
Stocks	17	-	1
Debtors	18	278,637	438,785
Cash at bank and in hand	19	442,339	388,095
		<u>720,976</u>	<u>826,881</u>
Creditors: Amounts falling due within one year	20	<u>(295,365)</u>	<u>(358,229)</u>
Net current assets		<u>425,611</u>	<u>468,652</u>
Total assets less current liabilities		2,615,474	2,714,605
Creditors: Amounts falling due after more than one year	21	<u>(3,808)</u>	<u>(13,994)</u>
Net assets		<u>2,611,666</u>	<u>2,700,611</u>
Funds of the charity:			
Restricted		<u>147,706</u>	<u>81,718</u>
Unrestricted income funds			
Designated funds		62,475	85,394
Unrestricted funds		<u>2,401,485</u>	<u>2,533,499</u>
Total unrestricted funds		<u>2,463,960</u>	<u>2,618,893</u>
Total funds	24	<u>2,611,666</u>	<u>2,700,611</u>

The financial statements on pages 19 to 46 were approved by the trustees, and authorised for issue on 11 December 2025 and signed on their behalf by:

DocuSigned by:

9317AE575A0E44D6.....
 S Broadhurst
 Trustee

Groundwork South and North Tyneside Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash expenditure		(52,298)	(29,026)
Adjustments to cash flows from non-cash items			
Depreciation		103,777	108,449
Investment income	6	<u>(51,475)</u>	<u>(71,419)</u>
		4	8,004
Working capital adjustments			
(Increase)/decrease in stocks	17	(572)	5,440
Decrease in debtors	18	152,507	144,021
Decrease in creditors	20	<u>(57,441)</u>	<u>(260,900)</u>
Net cash flows from operating activities		<u>94,498</u>	<u>(103,435)</u>
Cash flows from investing activities			
Interest receivable and similar income	6	51,475	71,419
Purchase of tangible fixed assets	15	<u>(47,687)</u>	<u>(59,699)</u>
Net cash flows from investing activities		3,788	11,720
Cash flows from financing activities			
Repayment of loans and borrowings	20	<u>(10,186)</u>	<u>(9,941)</u>
Net increase/(decrease) in cash and cash equivalents		88,100	(101,656)
Cash and cash equivalents at 1 April		<u>491,376</u>	<u>593,032</u>
Cash and cash equivalents at 31 March		<u><u>579,476</u></u>	<u><u>491,376</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 2025

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 2025.

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 £88,945 (2024 - £3,014 deficit)

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

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.

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.

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

Donated services and facilities

Where services or facilities are provided to the charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at its fair value unless its fair value cannot be reliably measured, then at the cost to the donor or the resale value of goods that are to be sold.

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.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

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

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

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 2025

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.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

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 2025

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 2025 £
Donations and legacies;			
Donations from companies, trusts and similar proceeds	10,000	-	10,000
Donations	15,551	-	15,551
Regular giving and capital donations	205	-	205
Donated services and facilities	61,951	-	61,951
	<u>87,707</u>	<u>-</u>	<u>87,707</u>

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

	Unrestricted funds General £	Total 2024 £
Donations and legacies;		
Donations from companies, trusts and similar proceeds	10,000	10,000
Donations	20,547	20,547
	<u>30,547</u>	<u>30,547</u>

4 Income from charitable activities

	Unrestricted funds Designated £	Unrestricted funds General £	Restricted funds £	Total 2025 £
Project Income - Education- Designated	849,135	-	-	849,135
Ten North East Activities	-	135,344	139,849	275,193
Better Places	-	177,591	13,382	190,973
Corporate Services	-	164,732	-	164,732
Enriching Lives	-	582,238	244,175	826,413
Sustainable Communities	-	368,543	69,314	437,857
	<u>849,135</u>	<u>1,428,448</u>	<u>466,720</u>	<u>2,744,303</u>

	Unrestricted funds Designated £	Unrestricted funds General £	Restricted funds £	Total 2024 £
Project Income - Education- Designated	85,394	-	-	85,394
Ten North East Activities	-	6,800	98,416	105,216
Better Places	-	158,617	17,321	175,938
Corporate Services	-	104,011	-	104,011
Enriching Lives	-	552,405	142,105	694,510
Raising Aspirations	-	21,581	718,025	739,606
Sustainable Communities	-	220,429	144,724	365,153
	<u>85,394</u>	<u>1,063,843</u>	<u>1,120,591</u>	<u>2,269,828</u>

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

5 Income from other trading activities

	Unrestricted funds General £	Total 2025 £
Income from trading subsidiary		
Trading income - Windmill	200,202	200,202
	<u>200,202</u>	<u>200,202</u>
	Unrestricted funds General £	Total 2024 £
Income from trading subsidiary		
Trading income - Windmill	162,329	162,329
	<u>162,329</u>	<u>162,329</u>

6 Investment income

	Unrestricted funds General £	Total 2025 £
Interest receivable and similar income;		
Interest receivable on bank deposits	3,727	3,727
Other income from fixed asset investments	47,748	47,748
	<u>51,475</u>	<u>51,475</u>
	Unrestricted funds General £	Total 2024 £
Interest receivable and similar income;		
Interest receivable on bank deposits	3,228	3,228
Other income from fixed asset investments	68,191	68,191
	<u>71,419</u>	<u>71,419</u>

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

7 Other income

	Unrestricted funds General £	Total 2024 £
Other income	<u>19,456</u>	<u>19,456</u>

Other income is recharges for staff time and £10,000 rent rebate for Windmill Sustainable Business Solutions Limited.

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

8 Expenditure on charitable activities

	Unrestricted funds		Restricted funds	Total 2025
	Designated	General		
	£	£	£	£
Ten North East Activities	-	130,565	121,656	252,221
Better Places	-	135,049	12,253	147,302
Corporate Services	-	422,927	-	422,927
Enriching Lives	-	516,338	163,960	680,298
Raising Aspirations	872,054	-	-	872,054
Sustainable Communities	-	251,496	84,669	336,165
Support Costs	-	79,503	-	79,503
	<u>872,054</u>	<u>1,535,878</u>	<u>382,538</u>	<u>2,790,470</u>
	Unrestricted funds		Restricted funds	Total 2024
	General			
	£	£	£	£
Ten North East Activities		18,548	115,394	133,942
Better Places		159,124	17,281	176,405
Corporate Services		191,075	-	191,075
Enriching Lives		600,149	166,373	766,522
Raising Aspirations		17,270	694,897	712,167
Sustainable Communities		227,457	150,775	378,232
Support Costs		77,209	-	77,209
		<u>1,290,832</u>	<u>1,144,720</u>	<u>2,435,552</u>
	Activity undertaken directly	Activity support costs	2025	
	£	£	£	
Ten North East Activities	252,221	-	252,221	
Better Places	147,302	9,935	157,237	
Corporate Services	591,908	15,909	607,817	
Enriching Lives	680,298	32,926	713,224	
Raising Aspirations	703,073	-	703,073	
Sustainable Communities	336,165	20,733	356,898	
	<u>2,710,967</u>	<u>79,503</u>	<u>2,790,470</u>	

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

	Activity undertaken directly £	Activity support costs £	2024 £
Ten North East Activities	133,942	-	133,942
Better Places	176,405	10,895	187,300
Corporate Services	191,075	11,746	202,821
Enriching Lives	766,522	37,944	804,466
Raising Aspirations	712,167	1,483	713,650
Sustainable Communities	378,232	15,141	393,373
	<u>2,358,343</u>	<u>77,209</u>	<u>2,435,552</u>

In addition to the expenditure analysed above, there are also governance costs of £13,000 (2024 - £12,500) 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 £	Land £	Total 2025 £
Premises Costs	-	-	74,351	74,351
Bank charges	-	5,152	-	5,152
Governance costs	13,000	-	-	13,000
	<u>13,000</u>	<u>5,152</u>	<u>74,351</u>	<u>92,503</u>

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

	Employment £	Business £	Land £	Total 2024 £
Premises Costs	-	-	72,943	72,943
Bank charges	-	4,266	-	4,266
Governance costs	12,500	-	-	12,500
	<u>12,500</u>	<u>4,266</u>	<u>72,943</u>	<u>89,709</u>

The only support costs not allocated to projects are the building and office equipment deprectaion and Bank charges.

10 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2025 £	2024 £
Audit fees	13,000	12,500
Other non-audit services	4,600	4,750
Depreciation of fixed assets	103,777	108,449
Independent examination subsidiary	<u>2,000</u>	<u>1,950</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 2025

12 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	1,637,855	1,384,131
Social security costs	123,699	97,514
Pension costs	89,974	68,975
	<u>1,851,528</u>	<u>1,550,620</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:

	2025 No	2024 No
Full time	<u>56</u>	<u>58</u>

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

	2025 No	2024 No
£70,001 - £80,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the group were £280,612 (2024 - £303,629).

13 Auditors' remuneration

	2025 £	2024 £
Audit of the financial statements	<u>13,000</u>	<u>12,500</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 2025

15 Tangible fixed assets

Group

	Land and buildings £	Plant and machinery £	Motor vehicles £	TEN Fixtures £	Total £
Cost					
At 1 April 2024	5,605,996	229,504	70,768	103,368	6,009,636
Additions	43,194	-	-	4,493	47,687
Disposals	-	(164,911)	-	(2,738)	(167,649)
At 31 March 2025	<u>5,649,190</u>	<u>64,593</u>	<u>70,768</u>	<u>105,123</u>	<u>5,889,674</u>
Depreciation					
At 1 April 2024	3,461,694	221,368	31,617	49,007	3,763,686
Charge for the year	74,351	3,180	14,319	11,927	103,777
Eliminated on disposals	-	(164,911)	-	(2,738)	(167,649)
At 31 March 2025	<u>3,536,045</u>	<u>59,637</u>	<u>45,936</u>	<u>58,196</u>	<u>3,699,814</u>
Net book value					
At 31 March 2025	<u>2,113,145</u>	<u>4,956</u>	<u>24,832</u>	<u>46,927</u>	<u>2,189,860</u>
At 31 March 2024	<u>2,144,302</u>	<u>8,136</u>	<u>39,151</u>	<u>54,361</u>	<u>2,245,950</u>

Included within the net book value of land and buildings above is £1,352,644 (2024 - £1,401,491) in respect of freehold land and buildings and £760,501 (2024 - £742,811) in respect of leaseholds.

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

Charity

	Land and buildings £	Plant and machinery £	Motor vehicles £	Other tangible fixed asset £	Total £
Cost					
At 1 April 2024	5,605,996	212,599	70,768	79,857	5,969,220
Additions	43,194	-	-	4,493	47,687
Disposals	-	(164,911)	-	(2,738)	(167,649)
At 31 March 2025	<u>5,649,190</u>	<u>47,688</u>	<u>70,768</u>	<u>81,612</u>	<u>5,849,258</u>
Depreciation					
At 1 April 2024	3,461,694	204,463	31,617	25,496	3,723,270
Charge for the year	74,351	3,180	14,319	11,927	103,777
Eliminated on disposals	-	(164,911)	-	(2,738)	(167,649)
At 31 March 2025	<u>3,536,045</u>	<u>42,732</u>	<u>45,936</u>	<u>34,685</u>	<u>3,659,398</u>
Net book value					
At 31 March 2025	<u>2,113,145</u>	<u>4,956</u>	<u>24,832</u>	<u>46,927</u>	<u>2,189,860</u>
At 31 March 2024	<u>2,144,302</u>	<u>8,136</u>	<u>39,151</u>	<u>54,361</u>	<u>2,245,950</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 £728,250 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 £624,394 of Land and Buildings within the financial statements.

Included within the net book value of land and buildings above is £1,352,644 (2024 - £1,401,491) in respect of freehold land and buildings and £760,501 (2024 - £742,811) in respect of leaseholds.

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

16 Fixed asset investments

Group

	2025 £	2024 £
Shares in group undertakings and participating interests	-	-

Charity

	2025 £	2024 £
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 2024	<u>3</u>	<u>3</u>
At 31 March 2025	<u>3</u>	<u>3</u>
Net book value		
At 31 March 2025	<u>3</u>	<u>3</u>
At 31 March 2024	<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 2025

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2025	2024
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 loss for the financial period of Windmill Sustainable Business Solutions Limited was £6,471 (2024 - surplus of £2,724) and the aggregate amount of capital and reserves at the end of the period was £6,862 (2024 - £391).

The surplus for the financial period of Ten North East Limited was £30,175 (2024 - surplus of (£13,537)) and the aggregate amount of capital and reserves at the end of the period was £78,895 (2024 - £48,720).

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

17 Stock

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Work in progress	<u>3,712</u>	<u>3,140</u>	<u>-</u>	<u>1</u>

18 Debtors

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Trade debtors	117,941	217,239	91,415	215,303
Due from group undertakings	-	-	54,952	64,654
Prepayments	32,363	24,634	31,215	14,634
Accrued income	78,552	109,155	78,552	91,355
Other debtors	<u>22,991</u>	<u>53,326</u>	<u>22,503</u>	<u>52,839</u>
	<u>251,847</u>	<u>404,354</u>	<u>278,637</u>	<u>438,785</u>

19 Cash and cash equivalents

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Cash at bank	<u>579,476</u>	<u>491,376</u>	<u>442,339</u>	<u>388,095</u>

20 Creditors: amounts falling due within one year

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Bank loans	9,282	9,282	9,282	9,282
Trade creditors	57,555	70,405	52,985	60,990
Other taxation and social security	24,216	17,978	24,071	16,229
VAT	48,696	34,749	35,080	34,749
Other creditors	9,992	10,654	9,452	10,431
Accruals and deferred income	<u>173,924</u>	<u>238,038</u>	<u>164,495</u>	<u>226,548</u>
	<u>323,665</u>	<u>381,106</u>	<u>295,365</u>	<u>358,229</u>

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

Deferred income

Group

	2025 £	2024 £
Deferred income at 1 April 2024	157,268	300,823
Resources deferred in the period	78,836	157,268
Amounts released from previous periods	<u>(157,268)</u>	<u>(300,823)</u>
Deferred income at year end	<u>78,836</u>	<u>157,268</u>

21 Creditors: amounts falling due after one year

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Bank loans	<u>3,808</u>	<u>13,994</u>	<u>3,808</u>	<u>13,994</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 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Other				
Within one year	6,209	6,209	1,561	1,561
Between one and five years	<u>15,284</u>	<u>21,493</u>	<u>3,812</u>	<u>5,373</u>
	<u>21,493</u>	<u>27,702</u>	<u>5,373</u>	<u>6,934</u>

23 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 £89,844 (2024 - £68,975).

Contributions totalling £7,423 (2024 - £10,654) 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 2025

24 Funds

Group

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2025 £
Unrestricted funds					
<i>General</i>					
General funds	2,575,013	1,616,060	(1,729,621)	(4,474)	2,456,978
<i>Designated</i>					
Education Fund	85,394	849,135	(872,054)	-	62,475
Total unrestricted funds	2,660,407	2,465,195	(2,601,675)	(4,474)	2,519,453
Restricted funds					
Ten North East Activities	7,555	139,849	(121,656)	4,514	30,262
Sustainable Communities	77,947	69,314	(84,668)	-	62,593
Raising Aspirations	3,771	-	-	-	3,771
Better Places	40	13,382	(12,253)	(40)	1,129
Enriching Lives	-	244,174	(163,960)	-	80,214
Total restricted funds	89,313	466,719	(382,537)	4,474	177,969
Total funds	2,749,720	2,931,914	(2,984,212)	-	2,697,422
	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2024 £
Unrestricted funds					
<i>General</i>					
General funds	2,676,266	1,347,594	(1,437,885)	(10,962)	2,575,013
<i>Designated</i>					
Education Fund	-	85,394	-	-	85,394
Total unrestricted funds	2,676,266	1,432,988	(1,437,885)	(10,962)	2,660,407

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2024 £
Restricted funds					
Communities	77,947	-	-	(77,947)	-
Ten North East Activities	24,533	98,416	(115,394)	-	7,555
Sustainable Communities	-	144,724	(150,775)	83,998	77,947
Raising Aspirations	-	718,025	(694,897)	(19,357)	3,771
Better Places	-	17,321	(17,281)	-	40
Enriching Lives	-	142,105	(166,373)	24,268	-
Total restricted funds	<u>102,480</u>	<u>1,120,591</u>	<u>(1,144,720)</u>	<u>10,962</u>	<u>89,313</u>
Total funds	<u><u>2,778,746</u></u>	<u><u>2,553,579</u></u>	<u><u>(2,582,605)</u></u>	<u><u>-</u></u>	<u><u>2,749,720</u></u>

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.

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

25 Analysis of net assets between funds

Group

	Unrestricted			Total funds £
	General £	Designated £	Restricted £	
Tangible fixed assets	2,189,860	-	-	2,189,860
Net current assets/(liabilities)	270,926	62,475	177,969	511,370
Creditors over 1 year	(3,808)	-	-	(3,808)
Total net assets	<u>2,456,978</u>	<u>62,475</u>	<u>177,969</u>	<u>2,697,422</u>

	Unrestricted			Total funds at 31 March 2024 £
	General £	Designated £	Restricted £	
Tangible fixed assets	2,245,950	-	-	2,245,950
Net current assets/(liabilities)	343,057	85,394	89,313	517,764
Creditors over 1 year	(13,994)	-	-	(13,994)
Total net assets	<u>2,575,013</u>	<u>85,394</u>	<u>89,313</u>	<u>2,749,720</u>

26 Analysis of net funds

Group

	At 1 April 2024 £	Financing cash flows £	At 31 March 2025 £
Cash at bank and in hand	491,376	88,103	579,479
Debt due within one year	(9,282)	-	(9,282)
Debt due after more than one year	(13,994)	9,282	(4,712)
Net debt	<u>468,100</u>	<u>97,385</u>	<u>565,485</u>

Groundwork South and North Tyneside Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

27 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 (until resigned as a director 5 December 2024) were trustees of the charitable company and also trustees of Groundwork North East. During the year ended 31 March 2025 the company procured goods and services from Groundwork North East amounting to £42,065 (2024: £25,583) and made sales to Groundwork North East amounting to £202,333 (2024: £38,549). At the balance sheet date the amount due to/from from Groundwork North East was £Nil (2024 - £12,965).

28 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.

Groundwork South and North Tyneside Limited

Comparative Consolidated Statement of Financial Activities for the Year Ended 31 March 2024 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2024 £
Income and Endowments from:				
Donations and legacies	3	30,547	-	30,547
Charitable activities	4	1,149,237	1,120,591	2,269,828
Other trading activities	5	162,329	-	162,329
Investment income	6	71,419	-	71,419
Other income	7	19,456	-	19,456
Total income		<u>1,432,988</u>	<u>1,120,591</u>	<u>2,553,579</u>
Expenditure on:				
Raising funds		(147,053)	-	(147,053)
Charitable activities	8	<u>(1,290,832)</u>	<u>(1,144,720)</u>	<u>(2,435,552)</u>
Total expenditure		<u>(1,437,885)</u>	<u>(1,144,720)</u>	<u>(2,582,605)</u>
Net expenditure		(4,897)	(24,129)	(29,026)
Transfers between funds		<u>(15,476)</u>	<u>15,476</u>	-
Net movement in funds		(20,373)	(8,653)	(29,026)
Reconciliation of funds				
Total funds brought forward		<u>2,680,780</u>	<u>97,966</u>	<u>2,778,746</u>
Total funds carried forward	24	<u><u>2,660,407</u></u>	<u><u>89,313</u></u>	<u><u>2,749,720</u></u>