

Grace Foundation
(A Company Limited by Guarantee)

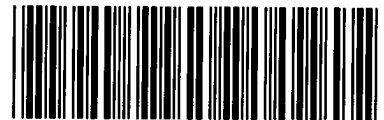
(Registered Number 5003276)
(Charity Number 1103021)

Unaudited Accounts and Report

Period Ended

31 August 2016

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Grace Foundation
(A Company Limited by Guarantee)

**Annual report and financial statements
for the period ended 31 August 2016**

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Trustees

Lord Edmiston
Lady Edmiston
T G K Boxall
S P Chase

Secretary

T G K Boxall

Correspondence address and registered office

The Pavilion, Manor Drive, Coleshill, Birmingham, B46 1DL

Registered Charity number

1103021

Registered number

5003276

Accountants and Independent examiner

D Bawtree, BDO LLP, 2 City Place, Beehive Ring Road, Gatwick RH6 0PA

Bankers

NatWest Bank PLC, St Philips Place, Birmingham, B3 2PP

Grace Foundation
(A Company Limited by Guarantee)

**Trustees' annual report
for the period ended 31 August 2016**

Trustees' Report

The Trustees have pleasure in submitting their Report and Financial Statements for the year ended 31 August 2016. The Foundation is a company limited by guarantee and is registered with the Charity Commission under the Charities Act 1993 (registration number 1103021). The liability of members in the event of the charity being wound up is limited to a sum not exceeding ten pounds each. The company is governed by a Memorandum and Articles of Association which were last amended on 3 April 2004. The Memorandum of Association sets out the company's investment powers.

Reference and administrative detail

Grace Foundation is a registered charity, number 1103021.

The charity trustees during the period to 31 August 2016 and at the date of signing this report were:

Lord Edmiston
Lady Edmiston
T G K Boxall
S P Chase

Objectives, Policies and Organisation

The Foundation was incorporated on 24 December 2003 with its objectives being the advancement, for the public benefit, education in the United Kingdom by promoting the establishment, maintenance, carrying on, management and development of schools with a Christian ethos and in accordance with Christian principles. The Trustees, who are Directors of the Company, are set out on the first page of these financial statements.

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

Relationships with Other Bodies

The Foundation is a member of Grace Academy of which the sole activity is the operation of Academy schools in Solihull, Coventry and Darlaston, which provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on business and enterprise.

Developments, Activities and Achievements

The Foundation employs a Director to help coordinate the Ethos activities of Grace Academy and from 1st September 2014 a part-time Ethos Coordinator was also employed to support the Director's work.

Donations to Grace Academy have continued to be made to their account named "Grace Academy Foundation". This account then disburses funds to the academies who have continued to sponsor Ethos Workers and provided funding to carry out the development of the Christian Ethos within Grace Academy.

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**Trustees' annual report
for the period ended 31 August 2016**

Reserves Policy

The general funds are used by the Foundation to fund future distributions to the Academies.

The Trustees have tried to maintain reserves by matching the level of incoming resources to the level of expenditure. The Trustees remain aware of the level of the funds and confirm that all reserves shall be used to pursue the Foundations future objectives.

The year ended with an unrestricted funds surplus of £9,403 (2015 - £49,965).

Financial Review

The Foundation received income of £387,334 (2015 - £370,765) during the year. Net outgoing resources were £427,896 (2015 - £331,515) for the year. The Foundation is dependent upon donations to safeguard its long term future.

Plans for future periods

The Foundation aims to maintain the level of donations it currently makes.

Risk review

The Trustees have conducted their own review of the major risks to which the Foundation is exposed and systems have been established to manage these risks.

Trustees

A list of trustees is shown on the front sheet to the accounts.

The Appointer to the charity is Lord Edmiston. The Appointer has the ultimate power to appoint and remove trustees.

The training and induction provided for Trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters, induction tends to be done informally and is tailored specifically to the individual.

In preparing the trustees report advantage has been taken of the small companies' exemption.

Approved by the board of trustees and signed on their behalf on



T G K Boxall
Trustee

Date 11/05/17

Grace Foundation
(A Company Limited by Guarantee)

**Independent examiner's report to the trustees of Grace Foundation
for the period ended 31 August 2016**

I report on the accounts of Grace Foundation for the period ended 31 August 2016, which are set out on pages 6 to 11.

Respective responsibilities of trustees and examiner

The trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this period under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

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**Independent examiner's report to the trustees of Grace Foundation
for the period ended 31 August 2016 (continued)**

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Don Bawtree
Chartered Accountant
BDO LLP
Chartered Accountants
2 City Place
Beehive Ring Road
Gatwick

Date 22 May 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Grace Foundation
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**Statement of financial activities
for the period ended 31 August 2016**

	Note	2016 £	2015 £
Income from:			
Donations		387,334	370,765
Expenditure on:			
Charitable expenditure	2	427,896	331,515
Net incoming resources	3	(40,562)	39,250
Fund balance brought forward at 31 August 2015		49,965	10,715
Fund balances carried forward at 31 August 2016		9,403	49,965

All disclosures relate only to continuing operations.
There are no recognised gains or losses other than those disclosed above.

The notes on pages 8 to 11 form part of these financial statements.

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Balance sheet
as at 31 August 2016

<i>Company number 5003276</i>	<i>Note</i>	2016 £	2016 £	2015 £	2015 £
Current assets					
Cash at bank and in hand		19,065		55,822	
Creditors: amounts falling due within one year	5	(9,662)		(5,857)	
Net current assets			9,403		49,965
Total assets less current liabilities			9,403		49,965
Capital and reserves					
Unrestricted funds	7		9,403		49,965
	7		9,403		49,965

For the year ended 31 August 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Trustees and signed on their behalf on: 11th May 2017

T G K Boxall
Trustee



The notes on pages 8 to 11 form part of these financial statements.

Grace Foundation
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**Notes to the accounts
for the period ended 31 August 2016**

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and comply with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities FRS102 effective from January 2015. The Financial statements are prepared under the historic cost convention.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Trustees and Directors have made judgements, the details of which are included in the following accounting policies.

Cash flow statement

The company has taken advantage of the exemption conferred by FRS102 Section 7 'Statement of Cash Flows' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 2006.

Fund accounting

Unrestricted funds

Unrestricted funds comprise the accumulated deficit/surplus on the statement of financial activities. They are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and are retained for working capital purposes.

Incoming

Donations and other income are recognised within the statement of financial activities when receivable.

Expenditure

Expenditure has been charged to the statement of financial activities on an accruals basis.

Direct charitable expenditure relates to the donations made in the period. Donations payable are payments made to third parties in the furtherance of the charitable objectives of the Trust.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the management of the charity.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable.

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Notes to the accounts
for the period ended 31 August 2016 (continued)

1 Accounting policies (continued)

Taxation

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of 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. No tax charge arose in the period.

2 Charitable expenditure

	2016 £	2015 £
Ethos fund expenses	10,237	10,170
Personnel costs	116,514	119,525
Governance costs	1,260	1,265
Exchange (gains)/losses	(115)	(45)
Grace Academy Foundation	300,000	200,000
Other donations	-	600
	<u>427,896</u>	<u>331,515</u>

Governance costs consist of independent examiners' fees and bank charges.

3 Net incoming resources

	2016 £	2015 £
Net income is stated after charging:		
Auditor's remuneration - audit of these financial statement	1,020	1,000
Auditor's remuneration - other services	240	230
	<u>1,260</u>	<u>1,230</u>

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Notes to the accounts
for the period ended 31 August 2016 (*continued*)

4 Staff costs

	2016 £	2015 £
Salaries	98,869	98,533
National insurance	8,772	12,329
Pension costs	7,910	7,723
	<u>115,551</u>	<u>118,585</u>

Average number of persons employed by the charity during the year
(excluding Trustees) analysed by function:

	Number	Number
Management and administration of the charity	<u>2</u>	<u>2</u>

The number of employees included above whose earnings (including taxable benefits in kind) exceeded £60,000 were:

£70,001 - £80,000	-	1
£80,001 - £89,999	1	-

No trustees received any emoluments or were reimbursed any expenses during the year.

The key management personnel comprise the trustees and the principal officers whose employee benefits total £85,930.

5 Creditors: amounts falling due within one year

	2016 £	2015 £
Accruals and deferred income	2,493	1,471
Other creditors	3,335	1,378
Taxation and social security	3,834	3,008
	<u>9,662</u>	<u>5,857</u>

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Notes to the accounts
for the period ended 31 August 2016 (continued)

6 Financial Instruments

	2016 £	2015 £
Financial assets		
Cash and cash equivalents	19,065	55,822
	<u> </u>	<u> </u>
Financial liabilities		
Financial liabilities measured at amortised costs	5,828	2,849
	<u> </u>	<u> </u>

Financial liabilities measured at amortised cost comprise other creditors and accrual.

7 Movement in funds

	At 1 August 2015 £	Incoming resources £	Outgoing resources £	At 31 August 2016 £
Unrestricted funds	49,965	387,334	(427,896)	9,403
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £7,910 (2015 - £7,723). There were outstanding contributions of £2,779 (2015 - £974) at the end of the financial year.

9 Related party transactions

During the year the company made payments of £300,000 (2015 - £200,000) to Grace Academy Foundation, a body of which the company is a member. The company deals with Grace Academy Foundation on an arm's length basis. No amounts were outstanding in both the current or previous year.

During the year donations of £382,334 (2015 - £365,765) were received from Christian Vision, a charity in which Lord Edmiston and Lady Edmiston are also trustees.

During the year an amount of £81,187 (2015 - £82,907) was paid to a family member of Lord Edmiston for their services as an employee of Grace Foundation. Contributions of £4,743 (2015 - £6,232) were paid to a pension fund on his behalf.

During the year an amount of £nil (2015 - £126) was paid to Media Collective Limited, a company which is owned by a family member of Lord Edmiston.

During the year Grace Foundation received supplies of £3,054 (2015 - £3,121) under the car ownership scheme from IM Group Limited, a company in which Lord Edmiston is a director.