

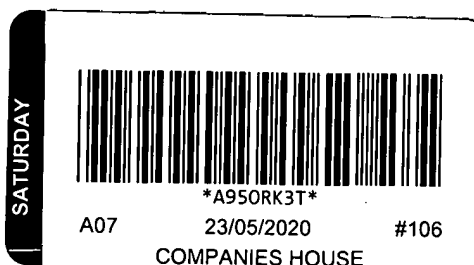
Grace Foundation
(A Company Limited by Guarantee)

(Registered Number 5003276)
(Charity Number 1103021)

Annual Report and Financial Statements

Year Ended

31 August 2019



Grace Foundation
(A Company Limited by Guarantee)

Annual report and financial statements
for the year ended 31 August 2019

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Trustees

Lord Edmiston
Lady Edmiston
A M Edmiston

Secretary

G E Hutton

Correspondence address and registered office

The Gate, International Drive, Solihull, B90 4WA

Registered Charity number

1103021

Registered number

5003276

Accountants and Independent examiner

BDO LLP, 2 Snow Hill, Birmingham, B4 6GA

Bankers

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

Grace Foundation
(A Company Limited by Guarantee)

Trustees' annual report
for the year ended 31 August 2019

Trustees' Report

The Trustees have pleasure in submitting their Report and Financial Statements for the year ended 31 August 2019. The Foundation is a company limited by guarantee. 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 year ended 31 August 2019 and at the date of signing this report were:

Lord Edmiston

Lady Edmiston

A M Edmiston (Appointed 30/05/19)

T G K Boxall (Resigned 29/05/19)

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

During the year, The Foundation was 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. This membership ceased during the period as explained below.

Developments, Activities and Achievements

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

During the year ended 31 August 2019, Grace Academy schools were transferred into Tove Learning Trust. This transfer is designed to preserve continuity; not least around the excellent ethos work, which Grace Foundation supports. Although this is a change in MAT, the same CEO, Principals and similar ways of working will remain. There are no planned changes in staffing and structures in the schools.

As a result the Foundation will continue to disburse funds to the schools who have continued to sponsor Ethos Workers and provided funding to carry out the development of the Christian Ethos but now within Tove Learning Trust.

Grace Foundation
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Trustees' annual report
for the year ended 31 August 2019 (continued)

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. Unrestricted reserves were £106,808 as at 31 August 2019 (2018 - £14,849).

Financial Review

The Foundation received income of £385,263 (2018 - £371,488) during the year. Net outgoing resources were £293,304 (2018 - £434,510) for the year. The Foundation is dependent upon donations to safeguard its long term future.

Going Concern and risk review

Grace Foundation aims to continue and expand its current activity and will primarily be funded by donations from I.M. Group Limited. The trustees have agreed budgeted charitable activity for the period of at least twelve months from the Balance Sheet date and have sought assurances from the Directors of I.M. Group Limited that they will continue to make contributions in line with this budget.

The Trustees have considered the impact of the Covid-19 pandemic on their business operations and cashflow forecasts. The Trustees are taking all reasonable steps to continue the operations of the Foundation complying with government rules and safety guidelines. The Trustees have further sought assurances from the Directors of I.M. Group Limited of the financial strength and liquidity of I.M. Group Limited to continue to fund Grace Foundation and allow it to continue to satisfy its operational objectives and honour financial obligations as they fall due.

Trustees

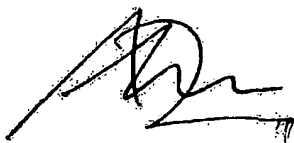
A list of trustees is shown on the front sheet to the accounts.

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



A. M. Edmiston
Trustee

Date 14/05/20

Grace Foundation
(A Company Limited by Guarantee)

**Independent examiner's report to the trustees of Grace Foundation
for the year ended 31 August 2019**

I report on the charity Trustees on the accounts of the Company for the year ended 31 August 2019, which are set out on pages 5 to 12.

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 31 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity's trustees as a body, for my work, for this report, or for the statement I have made.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ACCA, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

K Bellingall

Kyla Bellingall
Chartered Certified Accountant
BDO LLP
2 Snow Hill
Birmingham
B4 6GA

Date 15 May 2020

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

Grace Foundation
(A Company Limited by Guarantee)

**Statement of financial activities
for the year ended 31 August 2019**

	Note	2019 £	2018 £
Income from:			
Donations		385,263	371,488
Expenditure on:			
Charitable expenditure	2	293,304	434,510
Net incoming resources	3	91,959	(63,022)
Fund balance brought forward at 1 September	8	14,849	77,871
Fund balances carried forward at 31 August	8	106,808	14,849

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

The notes on pages 7 to 12 form part of these financial statements.

Grace Foundation
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Balance sheet
as at 31 August 2019

Company number 5003276	Note	2019	2019	2018	2018
		£	£	£	£
Non-current assets					
Tangible fixed assets	5		309		619
Current assets					
Debtors		236		703	
Cash at bank and in hand		111,448		18,146	
Creditors: amounts falling due within one year	6	(5,185)		(4,619)	
Net current assets			106,499		14,230
Total assets less current liabilities			106,808		14,849
Capital and reserves					
Unrestricted funds	8		106,808		14,849
	8		106,808		14,849

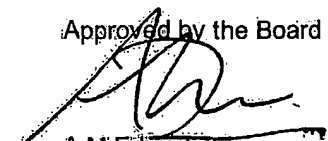
For the year ended 31 August 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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: 14 May 2020


A M Edmiston
Trustee

The notes on pages 7 to 12 form part of these financial statements.

Grace Foundation
(A Company Limited by Guarantee)

Notes to the accounts
for the year ended 31 August 2019

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 FRS 102 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 FRS 102 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.

Going Concern

The charity has taken assurances from the directors of I.M. Group Limited that the group will continue to make charitable donations to satisfy the ongoing working capital requirements of Grace Foundation for a period of at least twelve months from the approval date of these financial statements. Accordingly, the trustees consider it appropriate to prepare these financial statements on a going concern basis.

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.

Income

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 year ended 31 August 2019 (*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.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Income Statement during the period in which they are incurred.

Depreciation is provided on the following basis:

Computer equipment - 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the Statement of Comprehensive Income.

2 Direct charitable expenditure

	2019 £	2018 £
Ethos fund expenses	11,103	12,565
Personnel costs	94,359	117,117
Governance costs	7,532	2,519
Depreciation	310	309
Grace Academy Foundation	180,000	300,000
Other donations	-	2,000
	<hr/>	<hr/>
	293,304	434,510
	<hr/>	<hr/>

Ethos Fund expenses includes travel, meeting and phone costs.

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

Grace Foundation
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Notes to the accounts
for the year ended 31 August 2019 (continued)

3 Net Incoming resources

	2019 £	2018 £
Net income is stated after charging:		
Depreciation	310	309
Independent examiners fees	2,359	1,200
	<u> </u>	<u> </u>

4 Staff costs

	2019 £	2018 £
Salaries	78,304	99,040
National insurance	8,522	9,303
Pension costs	6,261	7,943
	<u> </u>	<u> </u>
	93,087	116,286
	<u> </u>	<u> </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	2	2
	<u> </u>	<u> </u>

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

£80,001 - £89,999	-	1
	<u> </u>	<u> </u>

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 £59,607 (2018 - £87,383).

Grace Foundation
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Notes to the accounts
for the year ended 31 August 2019 (continued)

5 Fixed assets

	Computer equipment £
Cost	
At 1 September 2018	1,237
Additions	-
	<hr/>
At 31 August 2019	1,237
	<hr/>
Depreciation	
At 1 September 2018	618
Provided for during the year	310
	<hr/>
At 31 August 2019	928
	<hr/>
Net book value	309
At 31 August 2019	<hr/>
	<hr/>
At 31 August 2018	619
	<hr/>

6 Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals and deferred income	2,000	2,100
Other creditors	2,950	2,432
Taxation and social security	235	87
	<hr/>	<hr/>
	5,185	4,619
	<hr/>	<hr/>

Grace Foundation
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Notes to the accounts
for the year ended 31 August 2019 (continued)

7 Financial Instruments

	2019 £	2018 £
Financial assets		
Cash and cash equivalents	111,448	18,146
Financial assets that are debt instruments measured at amortised cost	236	703
	<u>111,684</u>	<u>18,849</u>
Financial liabilities		
Financial liabilities measured at amortised costs	4,950	4,532
	<u>4,950</u>	<u>4,532</u>

Financial assets measured at amortised cost comprise other debtors and prepayments. Financial assets also include cash and cash equivalents.

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

8 Movement in funds

	At 1 September 2018 £	Incoming resources £	Outgoing resources £	At 31 August 2019 £
Unrestricted funds	14,849	385,263	(293,304)	106,808
	<u>14,849</u>	<u>385,263</u>	<u>(293,304)</u>	<u>106,808</u>

9 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 £6,261 (2018 - £7,943). There were outstanding contributions of £210 (2018 - £204) at the end of the financial year.

Grace Foundation
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Notes to the accounts
for the year ended 31 August 2019 (continued)

10 Related party transactions

During the year the company made payments of £180,000 (2018 - £300,000) to Grace Academy Foundation, a body of which the company was 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 £245,088 (2018 - £370,854) were received from Christian Vision, a charity in which Lord Edmiston and Lady Edmiston are also trustees.

During the year donations of £140,000 (2018 - £Nil) were received from I.M.Group Limited, a company which Lord Edmiston owns 100% of the issued share capital.

During the year an amount of £55,022 (2018 - £81,074) was paid to a family member of Lord Edmiston for their services as an employee of Grace Foundation. Contributions of £4,585 (2018 - £6,309) were paid to a pension fund on his behalf.

During the year Grace Foundation received supplies of £6,865 (2018 - £4,613) under the car ownership scheme from IM Group Limited, a company in which Lord Edmiston is a director.