

REGISTERED COMPANY NUMBER: 04370289

REGISTERED CHARITY NUMBER: 1093838

**Report of the Trustees and
Consolidated Financial Statements for the year ended 31st August 2021
for
THE VINE TRUST WALSALL AND SUBSIDIARIES**

Bakers, Registered Auditors
(The practising name of
Baker (Midlands) Limited)
Arbor House
Broadway North
Walsall
West Midlands
WS1 2AN

THE VINE TRUST WALSALL AND SUBSIDIARIES (REGISTERED NUMBER 04370289)

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for the year ended 31st August 2021**

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THE VINE TRUST WALSALL AND SUBSIDIARIES (REGISTERED NUMBER 4370289)

Charity Reference and Administrative Details
Year ended 31st August 2021

Incorporation 8th February 2002

Charity registration number 1093838

Company registration number 04370289

Directors M.A. Harland
P.B.J. Powell
J.R. Tipper
J.P. Sargent
D. Lomax
L.A. Johnson
J.A. Blackwood-Reid

Chief executive officer & Company secretary K.R. Davis

Registered Office 33 Lower Hall Lane
Walsall
West Midlands
WS1 1RR

Independent Examiners Bakers
(The practising name of Baker
(Midlands) Limited)
Arbor House
Broadway North
Walsall
WS1 2AN

**Trustees' Annual Report
Year ended 31st August 2021**

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31st August 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Trustees of the charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

M.A. Harland
P.B.J. Powell
J.R. Tipper
J.P. Sargent
D. Lomax
L.A. Johnson
J.A. Blackwood-Reid

Objectives and activities

Vine Trust Group Vision

'Our work with young people will be a catalyst for Christ centred community transformation'

Vine Trust Group Mission

'Preparing young people for life and godliness'

Values

- 1. We are entrepreneurial - Apostolic**
- 2. We are nurturing - Pastoral**
- 3. We are advocating - Evangelistic**
- 4. We are understanding - Teaching**
- 5. We are visionary - Prophetic**

Objectives

'To advance the Christian religion among women and young people of either sex'

'To advance their education'

'To relieve their poverty'

'To provide facilities for recreational and other leisure time occupation for the said persons irrespective of ethnic origin, gender or religious belief, in the interests of social welfare and with the object of improving their conditions of life'

Trustees' Annual Report
Year ended 31st August 2021

Operations

1. Empowerment – The aim is that our work with young people can be a catalyst for community transformation;
2. Education - To promote a learning culture via the development of a wider range of learning opportunities and training programmes, which will equip young people with confidence, aspirations, skills and the qualifications required to reach their goals and sustain employment;
3. Engagement – To engage all young people in positive activities which will enable them to participate and be respected as responsible citizens in the community offering them access to specialist information, advice and guidance.
4. Employment – To work with partners to provide programmes which will prepare and support young people for the world of work.
5. Enterprise – To model sustainability by growing market share, and developing new services and products, to increase the Trust's economic value and impact within the community.

For such other charitable purposes according to the laws of England and Wales in such parts of the United Kingdom or the world as the directors in their absolute discretion may from time to time decide.

History

The Vine Trust Walsall was conceived in 1989 as a direct result of the farsighted vision of local churches. Their conception was based around their concern that the system had failed to deal adequately for an increasing number of the youth of Walsall, who were seen as a burden to society in general. They purchased the derelict Vine Inn, to be a positive base for young people. The 'Vine Trust' was born. The Christian ethos is the foundation of the Vine Trust, and is the motivation in providing young people with the necessary education, training and practical skills leading to permanent employment and fulfilling lives.

Public benefit statement

The Trustees have paid due regard to the Charity Commission's guidance on public benefit when examining their aims, objectives and future plans of the organisation.

Principle 1.a. What are the benefits?

The identifiable benefit or benefits are recognised from the quantifiable improvements we have made in the situations and opportunities for young people classed as hard to engage, and the challenging of negative attitudes in the communities in which they live.

Principle 1.b. The Benefits as related to our aims

Outcomes

- Young people can be a catalyst for community transformation
- Young people outside traditional school can reach their full academic and vocational potential
- Every young person can be employed without impediment
- Every young person in our sphere of influence will be able to make informed decisions for work, training lifestyle and faith

Trustees' Annual Report
Year ended 31st August 2021

Principle 1.c. Ensuring our work delivers our aims

We review our aims, objectives and activities each year. In this year, we continue to embed the group's 5 year plan. The plan focusses on key areas of work and the benefits to the young people we have set out to help. We have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing our aims and activities and planning our future activities, and are satisfied our activities pose no detriment or harm (Principle 1c)

Principle 2. Who used and benefitted from our services

Benefit to the public.

Through its strategic oversight, the Vine Trust has worked to ensure these young people access education, support, counselling, positive activities and work skills programmes, with the aim to get them back into mainstream education, at schools or colleges or into further training and work.

STRATEGIC REPORT

During 2020/21 The Vine Trust has sought to respond to the needs of young people, by 'preparing them for life and godliness'. From initiatives to re-**Engagement** (drop-in facilities, advice and guidance) to **Education**, (through it's Mercian multi academy Trust) and to a range of social **Enterprises** (coffee shops, events, workspace letting) and employer awareness initiatives, to transform **Employment** for Young People. The Group have sought to **Empower** its communities to make it suitable for young people, through the themes of **Live, Work, Play, Learn, and Worship**.

Achievements and performance

Employment

Formally the Vine Education Trust, a subsidiary of the Vine Trust Walsall, The Ladder Apprenticeship Foundation, is the new name of the Trust, building on the charity's previous work, in challenging social mobility through education and work.

Building on the success of the regional campaigns (London, Black Country, Staffordshire, Shropshire) and through the support of our Media partner, and Patrons, the Ladder Apprenticeship Foundation is our national Social mobility initiative, championing locally, the creation of apprenticeships and vocational learning through regional newspaper campaigns and events. The Foundation will root and develop models of activity which support its strategy to "Engage, Educate & Employ" young people across the UK.

Despite our plans for new campaigns, in Manchester, and Greater London being put on hold, given the pandemic, we continued our West Midland's campaigns, in Greater Birmingham, Black Country, and Shropshire, with positive signs for a campaign and awards to follow in Coventry and Warwickshire.

With the suspension of all physical events, our flagship Birmingham apprenticeship awards, was again held virtually, as were the regional steering group meetings etc. Despite the virtual nature of the awards, through our media partner Reach, we received over 20,000 views, marking the success of apprentices, their employers, and their training providers. We were, amongst others, grateful for the recorded messages of support from Mayor Andy Street, and Skill's Minister Gillian Keegan.

**Trustees' Annual Report
Year ended 31st August 2021**

We hope that 2022, will see the return of in person awards.

Enterprise

Vines Catering

Prior to the pandemic, the Trust had made the strategic decision to seek an operator to run, the restaurant operation, this decision was overtaken, by the pandemic lockdown, requiring us to close the Vines restaurant. The Trust has found a new tenant, The Table, who took a lease to run a coffee shop, with a commitment, to still be a meeting place for the community, and train young people.

Vine Workspaces – 33 Lower Hall Lane

The Trust's Lower Hall Lane site has an extended facility to the original Vine building, which has provided lettable spaces to Walsall Studio School (founded by the Trust), to accommodate their 6th form. The initial 2 year let, had been extended whilst the Trust successfully supported the school's efforts to get a longer term accommodation solution in an extended Goldmine Centre. This has now been achieved, and the Trust looks forward to the opening of the annex in 2022.

We are pleased the continue to house further tenants in Walsall Money Advice, the Message, and Walsall Community Church.

Education

Mercian Trust

The Vine Trust Walsall is a Member of the Mercian Trust, a 'co-owner' alongside the Queen Mary's Foundation, sending 2 members out of the 5 member seats. This membership features in the restricted funds section of the accounts of the Vine Trust Walsall.

The Vine Trust, and the Foundation, jointly approved the make-up of the board of Directors / Trustees, which was initially formed by the chairs of the respective school's governing bodies of the 6 founding schools.

The investment represents the charity's interest in The Mercian Trust a Multi Academy Trust (MAT) formed by a group of Government funded schools working together under a common banner and an overarching structure of governance. It has as its member, The Vine Trust Walsall, with effectively two voting member seats, and The Queen Mary's Foundation, with effectively three voting member seats. From the 'significant Influence' that its two seats (one corporate membership and one individual appointee) gives the interest in The Mercian Trust is stated at 40% of its total restricted funds, according to the Audited Accounts.

The investment is restricted as representing government funding solely for the purpose of educating students in the Mercian Trust Schools.

The Trust is supporting the merger process of the Q3 Multi Academy trust (MAT), and its 3 Secondary schools, into the Mercian Trust, making for a larger MAT of 9 schools, and nearly 10,000 students, and 900 staff.

Walsall Studio School and The Ladder Alternative Provision School

With the creation of Mercian Trust, and as the founder and owner of the intellectual property, assets / staff and liabilities of Walsall Studio School, the Trust has novated them into the Mercian Trust, with the existing Walsall Studio School company, now wound up.

VINE TRUST WALSALL (REGISTERED NUMBER 04370289)

Trustees' Annual Report Year ended 31st August 2021

The Ladder Alternative Provision School, envisioned by the Trust and the CEO Kevin Davis, is named after the Trust's employment initiative, the Ladder Foundation detailed above. The Ladder School and the Vine Trust are looking forward to the completion next year of the St Matthews' Education Quarter, which will see a long awaited extension for Walsall Studio School, and a new build for the Ladder school.

As the founder of the schools, the Vine Trust continues to nominate the governors for the respective schools.

Engagement

The Trust has continued to work with partners to promote the economic inclusion and social mobility agenda in the St Matthew's Quarter, and the wider Black Country. To this end, CEO Kevin Davis serves on the Walsall Town's Board, steering the regeneration and recovery of the Town, which also includes the St Matthews Quarter, where the schools, and the Vine building are located.

Reserves Policy

The Trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be where possible be approximately 3 months of the expenditure. The Trustees have decided that the proceeds of sale of the Goldmine Centre, would be used to underpin this policy.

The purpose of the reserve is:

- To keep sufficient in general reserves to cover approximately 13 weeks expenditure
- To capitalise on opportunities and future needs.
- To meet substantial redundancy costs in the event of the winding up of the Charity
- Support with Cashflow challenges.

The reserves where possible are needed to meet the working capital requirements of the charity and the Trustees are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding. The present level of reserves available to the charity falls significantly short of this target level. Although the strategy is to continue to build reserves through planned operating surpluses, the Trustees are well aware that it unlikely that the target range can be reached for at least three years, hence the proceeds from the Goldmine sale to the Mercian Trust backers in government will sure support the aim. In the short term the Trustees has also considered the extent to which existing activities and expenditure could be curtailed, should such circumstances arise.

The reserves policy is to be reviewed annually at the Annual General Meeting prior to the publication of the annual report.

Plans for future periods

The creation of both the Mercian Trust, and The Ladder Apprenticeship Foundation, and the challenges of Covid, has enabled the Vine to become a more strategic organisation, and through its' strategic review –(The Economy of Together), and Kevin Davis working with the Black Country Local Enterprise Partnership, to create post pandemic, an equal and equitable Black Country; a better educated Black Country; a more enterprising Black Country, with greater social responsibility; and a healthier Black Country that is environmentally friendly. The Charity's strategic review is titled Vine 30 - The Economy of Together

Trustees' Annual Report
Year ended 31st August 2021

Structure, governance and management

Vine Trust Walsall is the 'parent' or controlling member of a group of charitable companies trading overall as the Vine Trust Group. The Group board of Trustee Directors consists of directors of the subsidiary boards as well as independent Vine Trust Walsall members. Members are responsible individually and collectively for overseeing the conduct and affairs of the charity, and for supervising Group management, to whom the Board had delegated certain authority for the day-to-day conduct of the charity.

They are also responsible for:

- Strategic Planning Process
- Operating Planning
- Monitoring Senior Management
- Monitoring the Effectiveness of the Board and its Committees
- Setting and Monitoring the Effectiveness of Corporate Policies
- Managing Risk
- The Integrity of Corporate Internal Control and Management
- Overseeing Information Systems
- Overseeing Communications Policy

Partner Board

Mercian Trust – Two Vine Trust directors of the board are part of the Members board.

Chief Executive Officer

The office of the Group Chief Executive (CEO) is the senior officer of the Group Trust and has delegated powers from the board of Trustee Directors, to manage the strategic and operation.

The charity is controlled by its governing document, a deed of trust and constitutes a limited company, limited by guarantee, as defined by the Companies Act 1985. It operates as an innovative faith inspired Charitable company, working to support and elevate the lives of 'hard to reach' young people (13-25 year olds).

Trustees Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year, which 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 2019 (FRS 102)
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Trustees' Annual Report
Year ended 31st August 2021

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

On an annual basis the trustees actively review risk in terms of the following areas:

- governance and management, operational, finance, environmental and external risk, and legal regulation compliance

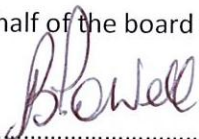
This information is then used to develop a risk management strategy for the organisation, including the identification of existing controls in operation and any new controls the trustees consider necessary.

The current risk management strategy forms part of a planning process, against which the trustees review progress formally every six months within the context of a four year strategic business plan.

The trustees are satisfied that adequate systems and procedures are in operation to mitigate against the major risks faced by the charity should any of these risks materialise.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board



.....
P B Powell
Chairman

Date.....28/4/2022.....

Independent Examiner's Report to the Members and Trustees
Year ended 31st August 2021

I report to the charity trustees on my examination of the accounts of the company for the year ended 31st August 2021 which are set out on pages 10 to 23.

Responsibilities and basis of report

As the charity 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 company'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

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 that in any material respect:

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.



John Davis FCA (Independent Examiner)
For and on behalf of
Bakers
(The practising name of Baker (Midlands) Limited)
Arbor House
Broadway North
Walsall
WS1 2AN

28 April 2022

THE VINE TRUST WALSALL AND SUBSIDIARIES (REGISTERED NUMBER 04370289)

Consolidated Statement of Financial Activities (including Income and Expenditure Account)
Year ended 31st August 2021

	Note	Unrestricted Funds	2021 Restricted Funds	Total Funds	2020 Total Funds
		£	£	£	£
Income and endowments from:					
Government grants: JRS Scheme		35,376	-	35,376	38,701
WMBC Covid support		37,100	-	37,100	25,000
Donations and legacies	2	18,770	-	18,770	93,840
Charitable activities	3	3,000	-	3,000	56,610
Other trading activities	4	54,459	-	54,459	70,670
Other	5	917	-	917	300,015
Total income and endowments		149,622	-	149,622	584,836
Expenditure on:					
Charitable activities	7	103,953	-	103,953	280,346
Total expenditure		103,953	-	103,953	280,346
Net losses on investments	16	-	(2,398,000)	(2,398,000)	(340,000)
Net income / (expenditure)		45,669	(2,398,000)	(2,352,331)	(35,510)
Other recognised gains/(losses):					
Losses on revaluation of fixed assets		-	-	-	-
Net movement in funds		45,669	(2,398,000)	(2,352,331)	(35,510)
Reconciliation of funds:					
Total funds brought forward		328,785	23,314,000	23,642,785	23,678,295
Total funds carried forward		374,454	20,916,000	21,290,454	23,642,785

All income and expenditure derive from continuing activities.
The Statement of Financial Activities includes all gains and losses recognised in the year.

THE VINE TRUST WALSALL AND SUBSIDIARIES (REGISTERED NUMBER 04370289)

**Consolidated Balance Sheet
Year ended 31st August 2021**

	Note	2021 £	2020 £
Fixed Assets			
Tangible assets	14	381,918	382,557
Investments	16	20,916,000	23,314,000
		<u>21,297,918</u>	<u>23,696,557</u>
Current Assets			
Debtors	17	34,299	62,565
Cash at bank and in hand		23,304	542
		<u>57,603</u>	<u>63,107</u>
Creditors			
Amounts falling due within one year	18	(6,067)	(90,879)
Net current assets/(liabilities)		<u>51,536</u>	<u>(27,772)</u>
Total assets less current liabilities		<u>21,349,454</u>	<u>23,668,785</u>
Creditors			
Amounts falling due after more than one year	19	(59,000)	(26,000)
		<u>21,290,454</u>	<u>23,642,785</u>
Charity Funds			
Unrestricted funds	20	374,454	328,785
Restricted funds	20	20,916,000	23,314,000
		<u>21,290,454</u>	<u>23,642,785</u>

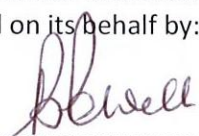
For the financial year in question, the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on **25th APRIL** 2022 and were signed on its behalf by:



.....
P B J Powell Trustee

The notes form part of these financial statements

THE VINE TRUST WALSALL AND SUBSIDIARIES (REGISTERED NUMBER 04370289)

Charity Balance Sheet
Year ended 31st August 2021

	Note	2021	2020
		£	£
Fixed Assets			
Tangible assets	15	381,918	382,557
Current Assets			
Debtors	17	75,453	89,914
Cash at bank and in hand		23,293	505
		<u>98,746</u>	<u>90,419</u>
Creditors			
Amounts falling due within one year	18	(6,067)	(90,879)
Net current assets/(liabilities)		<u>92,679</u>	<u>(460)</u>
Total assets less current liabilities		<u>474,597</u>	<u>382,097</u>
Creditors			
Amounts falling due after more than one year	19	(59,000)	(26,000)
		<u>415,597</u>	<u>356,097</u>
		<u><u>415,597</u></u>	<u><u>356,097</u></u>
Charity Funds			
Unrestricted funds		415,597	356,097
Restricted funds		-	-
		<u>415,597</u>	<u>356,907</u>
		<u><u>415,597</u></u>	<u><u>356,907</u></u>

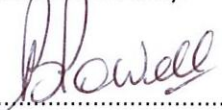
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No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 28th APRIL 2022 and were signed on its behalf by:


.....
P B Powell Trustee

The notes form part of these financial statements

THE VINE TRUST WALSALL AND SUBSIDIARIES (REGISTERED NUMBER 04370289)

Consolidated Statement of Cash Flows
Year ended 31st August 2021

	Note	2021	2020
		£	£
Net cash flows from operating activities	22	2,419,845	(1,920,718)
Cash flows from investing activities			
Purchase of tangible fixed assets	14	-	(2,457)
Disposal of tangible fixed assets	14	(2,397,083)	1,925,300
Cash flows from financing activities			
Interest paid	13	-	(2,383)
Increase/(decrease) in cash and cash Equivalents in the year		22,762	(258)
Cash and cash equivalent at 1 September 2020		542	800
Cash and cash equivalents at 31 August 2021		23,304	542

Notes to the Financial Statements
Year ended 31st August 2021

1. Accounting Policies

General information and basis of preparation

Vine Trust Walsall is a charitable company incorporated in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to empower, educate, engage, and employ young people.

The charity constitutes a public benefit entity as defined by FRS 102. 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, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

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

Basis of consolidation

The group financial statements consolidate the accounts of the Company and its subsidiary undertakings. Intra-group transactions and profits are eliminated on consolidation.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

Income

All incoming resources are included in the SoFA when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Notes to the Financial Statements
Year ended 31st August 2021

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds
- Expenditure on charitable activities includes provision of personal coaching services; and
- Other expenditure represents those items not falling into the categories above

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 7.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful economic life.

Land and buildings	- not depreciated
Motor vehicles, fixtures etc	- 20% to 25% on cost

Freehold land and buildings are stated at valuation in 2019 carried out by Cosnett Price Chartered Surveyors. The Trustees have reviewed the carrying value for impairment.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if their fair value can be measured reliably.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is

Notes to the Financial Statements
Year ended 31st August 2021

carried at a revalued amount where the impairment loss is a revaluation decrease.

Leasing commitments

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

Employee benefits

Where employees have rendered service to the charity, short term benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Pension benefits

The charity contributes to a defined contribution pension scheme for certain members of staff. Contributions are expensed as they become payable.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern

As shown in the financial statements the Group had net income on unrestricted funds of £44,669 for the year and at 31 August 2021 had unrestricted funds of £373,454. The Group have prepared income and cash flow projections for a period of 12 months. On this basis and on indications from supporters that they will continue to provide additional financial resources as required, the Trustees consider it appropriate to prepare the financial statements on the going concern basis.

2. Income from donations and legacies

	2021	2020
	£	£
Donations		
Unrestricted - General	18,770	93,840
	<u> </u>	<u> </u>

All of the above income was attributable to unrestricted funds.

3. Income from charitable activities

	2021	2020
	£	£
Restaurant	-	33,610
Ladder School	3,000	23,000
	<u> </u>	<u> </u>
Total	3,000	56,610
	<u> </u>	<u> </u>

All of the above income was attributable to unrestricted funds.

Notes to the Financial Statements
Year ended 31st August 2021

4. Income from trading activities

	2021	2020
	£	£
Property cost recharges	24,265	33,259
Support cost recharges	26,602	29,976
Other	3,592	7,435
Total	<u>54,459</u>	<u>70,670</u>

All of the above income was attributable to unrestricted funds.

5. Other income

	2021	2020
	£	£
Profit on sale of Goldmine	-	300,015
Profit on sale of tangible fixed assets	917	-
Total	<u>917</u>	<u>300,015</u>

£Nil (2020: £300,015) of the above income was attributable to restricted funds.

6. Analysis of expenditure on charitable activities

	Direct Costs	Support Costs	Total
	£	£	£
Property	28,316	41,065	69,381
Support	30,228	2,318	32,546
Ladder	1,950	76	2,026
Total	<u>60,494</u>	<u>43,459</u>	<u>103,953</u>

Notes to the Financial Statements
Year ended 31st August 2021

7. Charitable activities cost

	2021	2020
	£	£
Purchases	-	15,449
Wages & salaries	52,394	165,484
Service charges	-	8,921
Rent, rates & water	4,865	22,655
Insurance	5,153	6,918
Heat & light	6,334	18,021
Repairs & maintenance	7,298	4,451
Advertising & marketing	2,378	3,775
Post, print & stationery	7,850	7,443
Telephone	6,055	7,198
Travel, subs & entertaining	8	2,386
General expenses	594	2,804
Legal & professional fees	5,672	3,592
Loan interest & charges	-	2,383
Depreciation	639	1,307
Governance	4,713	7,559
Total	103,953	280,346

8. Governance costs

	2021	2020
	£	£
Professional fees	228	65
Independent Examination Fees	2,500	3,500
Miscellaneous	1,985	3,994
Total	4,713	7,559

9. Net income for year

Net income is stated after charging:

	2021	2020
	£	£
Depreciation of tangible assets	639	1,307
Loss on fair value movement of investments	2,398,000	340,000
Profit on sale of tangible assets	917	300,015

10. Independent Examiners remuneration

The independent examiner's remuneration amounts to a fee of £2,500 (2020: £3,500) and for accounts and others services £Nil (2020: £Nil).

Notes to the Financial Statements
Year ended 31st August 2021

11. Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2020: £Nil).

The trustees did not have any expenses reimbursed during the year (2020: £Nil).

The total employee benefits (including employer pension contributions) received by key management personnel is £31,072 (2020: £57,686). The Trust considers its key management personnel to be the Chief Executive Officer.

12. Staff costs and employee benefits

The average number of employees and full time equivalent (FTE) during the year was as follows:

	2021	2021	2020	2020
	Number	FTE	Number	FTE
Charitable activities	4	3	11	9

The total staff costs and employee benefits were as follows:

	2021	2020
	£	£
Wages and salaries	50,800	148,482
Social security costs	171	8,490
Pension costs	1,423	4,064
Redundancy	-	4,448
Total	52,394	165,484

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

13. Interest payable

	2021	2020
	£	£
Bank loans and overdrafts	-	2,383

Notes to the Financial Statements
Year ended 31st August 2021

14. Tangible Fixed Assets – Group

	Land & Buildings £	Plant & Machinery £	Total £
Cost			
At 1 st September 2020	593,477	183,544	777,021
Disposals	-	(8,812)	(8,812)
At 31 st August 2021	593,477	174,732	768,209
Depreciation			
At 1 st September 2020	213,477	180,987	394,464
Charge for year	-	639	639
Depreciation on disposal	-	(8,812)	(8,812)
At 31 st August 2021	213,477	172,814	386,291
Net Book Values			
At 31 st August 2021	380,000	1,918	381,918
At 31 st August 2020	380,000	2,557	382,557

15. Tangible Fixed Assets – Charity

	Land & Buildings £	Plant & Machinery £	Total £
Cost			
At 1 st September 2020	593,477	183,544	777,021
Disposals	-	(8,812)	(8,812)
At 31 st August 2021	593,477	174,732	768,209
Depreciation			
At 1 st September 2020	213,477	180,987	394,464
Charge for year	-	639	639
Depreciation on disposal	-	(8,812)	(8,812)
At 31 st August 2021	213,477	172,814	386,291
Net Book Values			
At 31 st August 2021	380,000	1,918	381,918
At 31 st August 2020	380,000	2,557	382,557

Notes to the Financial Statements
Year ended 31st August 2021

16. Fixed Assets Investments

	Other Investments £
Valuation	
At 1 st September 2020	23,919,000
At 31 st August 2021	23,919,000
Impairment	
At 1 st September 2020	605,000
Written off in year	2,398,000
At 31 st August 2021	3,003,000
Carrying amount	
At 31 st August 2021	20,916,000
At 31 st August 2020	23,314,000

The investment represents the charity's interest in The Mercian Trust a Multi Academy Trust (MAT) formed by a group of Government funded schools working together under a common banner and an overarching structure of governance. It has, as its members, The Vine Trust Walsall, with effectively two voting member seats, and The Queen Mary's Foundation, with effectively three voting member seats.

From the 'significant Influence' that its two seats (one corporate membership and one individual appointee) gives, the interest in The Mercian Trust is stated at 40% of its total restricted Funds at 31st August 2021 according to the Audited Accounts. Its registered office address is Mercian House, Sutton Road, Walsall, WS1 2PG. At the year end, the aggregate reserves of The Mercian Trust amounted to £54,672,782 (2020: £58,137,026) of which £52,289,931 (2020: £55,784,708) were restricted, following a decrease in funds of £3,464,244 for the year (2020: decrease of £3,141,462).

The investment is restricted as representing government funding solely for the purpose of educating students in the Mercian Trust Schools.

17. Debtors: Amounts falling due within one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	4,452	5,609	4,452	5,609
Amounts owed by group companies	-	-	41,154	27,349
Prepayments and accrued income	3,627	16,105	3,627	16,105
Other debtors	26,220	40,851	26,220	40,851
Total	34,299	62,565	75,453	89,914

Notes to the Financial Statements
Year ended 31st August 2021

18. Creditors: Amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts	-	35,127	-	35,127
Trade creditors	612	10,725	612	10,725
Taxation and social security	1,324	3,836	1,324	3,836
Accruals and deferred income	3,691	4,374	3,691	4,374
Other creditors	440	36,817	440	36,817
Total	6,067	90,879	6,067	90,879

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

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Other creditors	59,000	26,000	59,000	26,000

20. Fund Reconciliation

	Balance at 1 st Sept 2020	Income	Expenditure	Gains / (Losses)	Balance at 31 st August 2021
	£	£	£	£	£
Unrestricted Funds					
General funds	328,785	149,622	(103,953)	-	374,454
	328,785	149,622	(103,953)	-	374,454
Restricted Funds					
Mercian Trust	23,314,000	-	-	(2,398,000)	20,916,000
	23,314,000	-	-	(2,398,000)	20,916,000
	23,642,785	149,622	(103,953)	(2,398,000)	21,290,454

Notes to the Financial Statements
Year ended 31st August 2021

21. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Tangible fixed assets	381,918	20,916,000	21,297,918
Current assets	57,603	-	57,603
Current liabilities	(6,067)	-	(6,067)
Creditors falling due after more than one year	(59,000)	-	(59,000)
Total	<u>374,454</u>	<u>20,916,000</u>	<u>21,290,454</u>

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

	2021	2020
	£	£
Net income/(expenditure) for the year	45,669	(35,510)
Interest payable	-	2,383
Depreciation and impairment of tangible fixed assets	639	1,307
Losses on investments	2,398,000	340,000
Profit on sale of fixed assets	(917)	(300,015)
(Increase) decrease in debtors	28,266	(46,808)
Increase (decrease) in creditors	(51,812)	(1,882,075)
	<u>2,419,845</u>	<u>(1,920,718)</u>

23. Pensions and Similar Obligations

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £1,423 (2020: £4,064).

24. Ultimate controlling party

During the year, the Charity was under the control of the Trustees.

25. Transactions with Trustees

At 31st August 2021 the charity owed £26,000 (2020: £26,000) to House on the Corner, and £33,000 (2020: £33,000) to Bentley Beginnings, charities in which P B Powell is a trustee.

The Company has taken advantage of the exemptions contained within Financial Reporting Standard No.8 not to disclose intra-group transactions on the basis that all subsidiaries are 100% owned and all transactions with other Group companies are eliminated in the consolidated financial statements.