

**Grace Foundation**  
(A Company Limited by Guarantee)

(Registered Number 5003276)  
(Charity Number 1103021)

Annual Report and Financial Statements

Year Ended

31 August 2021

**Grace Foundation**  
(A Company Limited by Guarantee)

**Annual report and financial statements  
for the year ended 31 August 2021**

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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 2021**

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### **Trustees' Report**

The Trustees have pleasure in submitting their Report and Financial Statements for the year ended 31 August 2021. 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 2021 and at the date of signing this report were:

Lord Edmiston  
Lady Edmiston  
A M Edmiston

### **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 continued to contribute towards the work carried out by Tove Learning Trust who operate a chain of Academies based around the Midlands, Northamptonshire and Milton Keynes. They provide education for pupils of different abilities between the ages of 11 and 19. In the 2021-22 Academic year they will start to work with other Multi-Academy Trusts such as Invictus Education Trust.

### **Developments, Activities and Achievements**

The foundation continues to work within Tove Learning Trust to support young people and their families. We place curriculum leaders, ethos youth workers and family support workers into schools to work directly with students to make a holistic impact. We also operate a Central team of specialists who support teaching of holistic subjects such as Relationships and Sex Education. This work has been recognised by external agencies such as OFSTED and is measured by statistics, student/parent voice and stories of transformation.

During the year there was significant output by the team despite the global pandemic disruptions across their core themes of Developing Character & values, Building Healthy Relationships and Understanding Christian Perspectives. This included 197,000 student engagements, 6820 Family Interventions, 3218 Support Group places and over 1287 mentoring sessions.

The Foundation will continue to disburse funds to the Grace Academy schools who have continued to sponsor Ethos Workers and provided funding to carry out the development of the Christian Ethos within Tove Learning Trust. In addition to this the Foundation now employs staff directly and they are based in an expanding number of schools.

# **Grace Foundation**

**(A Company Limited by Guarantee)**

## **Trustees' annual report for the year ended 31 August 2021 (*continued*)**

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### **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 £136,561 as at 31 August 2021 (2020 – £61,217 deficit).

### **Financial Review**

The Foundation received income of £896,902 (2020 - £456,350) during the year. Total outgoing resources were £699,124 (2020 - £624,375) 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 date of approval of the accounts 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 5 April 2022



**Grace Foundation**  
(A Company Limited by Guarantee)

**Independent examiner's report to the trustees of Grace Foundation  
for the year ended 31 August 2021**

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I report on the charity Trustees on the accounts of the Company for the year ended 31 August 2021, which are set out on pages 5 to 14.

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.

DocuSigned by:

*Kyla Bellingall*

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

Date 25 April 2022

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 2021**

	Note	2021 £	2020 £
<b>Income from:</b>			
Donations	2	894,766	437,200
Grant income	3	2,136	19,150
		<hr/>	<hr/>
<b>Total Income</b>		<b>896,902</b>	456,350
<b>Expenditure on:</b>			
Charitable expenditure	4	699,124	624,375
		<hr/>	<hr/>
<b>Net income / (expenditure)</b>	6	<b>197,778</b>	(168,025)
Fund balance brought forward at 1 September	12	<b>(61,217)</b>	106,808
		<hr/>	<hr/>
<b>Fund balances carried forward at 31 August</b>	12	<b>136,561</b>	(61,217)
		<hr/> <hr/>	<hr/> <hr/>

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 14 form part of these financial statements.

**Grace Foundation**  
(A Company Limited by Guarantee)

**Balance sheet**  
**as at 31 August 2021**

<b>Company number 5003276</b>	<b>Note</b>	<b>2021</b> <b>£</b>	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>	<b>2020</b> <b>£</b>
<b>Non-current assets</b>					
Tangible fixed assets	8		1,885		2,828
<b>Current assets</b>					
Debtors	9	2,377		236	
Cash at bank and in hand		182,414		46,270	
<b>Creditors: amounts falling due within one year</b>	10	(50,115)		(110,551)	
<b>Net current assets / (liabilities)</b>			<b>134,676</b>		<b>(64,045)</b>
<b>Total assets less current liabilities</b>			<b>136,561</b>		<b>(61,217)</b>
<b>The funds of the charity:</b>					
Unrestricted funds	12		<b>136,561</b>		<b>(61,217)</b>

For the year ended 31 August 2021 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.

Approved by the Board of Trustees and signed on their behalf on



A M Edmiston  
**Trustee**

Date 5 April 2022

The notes on pages 8 to 14 form part of these financial statements.

**Grace Foundation**  
(A Company Limited by Guarantee)

**Statement of cash flows**  
**as at 31 August 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash provided by operating activities	14	136,144	(61,407)
<b>Cash flows from investing activities</b>			
Purchase of equipment		-	(3,771)
Increase/(decrease) in cash and cash equivalents in the year		136,144	(65,178)
Cash and cash equivalents at the beginning of the year		46,270	111,448
<b>Total cash and cash equivalents at the end of the year</b>		182,414	46,270
<b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		182,414	46,270



# **Grace Foundation**

**(A Company Limited by Guarantee)**

## **Notes to the accounts for the year ended 31 August 2021**

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### **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 2019. The financial statements are prepared under the historic cost convention.

The financial statements are prepared in pound sterling (£) and the figures are rounded to the nearest £.

#### **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.

##### *Going concern*

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.

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.

##### *Government grants*

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met usually on submission of a valid claim for payment.

**Grace Foundation**  
(A Company Limited by Guarantee)

Notes to the accounts  
for the year ended 31 August 2021 (*continued*)

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**1 Accounting policies**

**Basis of preparation (continued)**

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.

*Operating leases*

Rentals applicable to operating leases are charged to the Statement of Financial Activity over the period in which the cost is incurred.

*Financial instruments*

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

*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.

*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 statement of financial activities 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 financial activities

**Grace Foundation**  
(A Company Limited by Guarantee)

Notes to the accounts  
for the year ended 31 August 2021 (*continued*)

<b>2</b>	<b>Donations</b>	<b>2021</b>	<b>2020</b>
		£	£
	Donations	894,766	437,200
		<u>          </u>	<u>          </u>
<b>3</b>	<b>Grants</b>	<b>2021</b>	<b>2020</b>
		£	£
	Government grants	2,136	19,150
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Direct charitable expenditure</b>	<b>2021</b>	<b>2020</b>
		£	£
	Ethos fund expenses	93,742	56,820
	Personnel costs	447,291	217,692
	Governance costs (note 5)	4,477	5,490
	Depreciation	943	1,252
	Tove Learning Trust	152,671	343,121
		<u>          </u>	<u>          </u>
		699,124	624,375
		<u>          </u>	<u>          </u>
Ethos Fund expenses includes travel, meeting, phone costs and Education support costs.			
<b>5</b>	<b>Governance costs</b>	<b>2021</b>	<b>2020</b>
		£	£
	Bank charges	9	57
	Legal and professional fees	285	2,033
	Independent examiner fees	4,183	3,400
		<u>          </u>	<u>          </u>
		4,477	5,490
		<u>          </u>	<u>          </u>

**Grace Foundation**  
(A Company Limited by Guarantee)

**Notes to the accounts**  
**for the year ended 31 August 2021 (continued)**

<b>6</b>	<b>Net income / (expenditure)</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Net income / (expenditure) is stated after charging:		
	Depreciation	<b>943</b>	1,252
	Independent examiners fees	<b>4,183</b>	3,400
		<hr/>	<hr/>
<b>7</b>	<b>Staff costs</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Salaries	<b>341,406</b>	156,694
	National insurance	<b>25,096</b>	6,190
	Pension costs	<b>35,097</b>	12,817
		<hr/>	<hr/>
		<b>401,599</b>	175,701
		<hr/>	<hr/>
	Average number of persons employed by the charity during the year (excluding Trustees) analysed by function:	<b>Number</b>	<b>Number</b>
	Management and administration of the charity	<b>4</b>	4
	Ethos and support workers	<b>13</b>	6
		<hr/>	<hr/>

There were no employees included above whose earnings (including taxable benefits in kind) exceeded £60,000. (2020 - £Nil)

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

The key management personnel comprise the trustees whose employee benefits total £Nil (2020 - £Nil).



**Grace Foundation**  
(A Company Limited by Guarantee)

Notes to the accounts  
for the year ended 31 August 2021 (*continued*)

**8 Fixed assets**

Computer  
equipment  
£

**Cost**

At 1 September 2020 and at 31 August 2021

5,008

**Depreciation**

At 1 September 2020

2,180

Provided for during the year

943

At 31 August 2021

3,123

**Net book value**

At 31 August 2021

1,885

At 31 August 2020

2,828

**9 Debtors**

2021  
£

2020  
£

Prepayments

2,377

-

Other debtors

-

236

2,377

236

**10 Creditors: amounts falling due within one year**

2021  
£

2020  
£

Accruals and deferred income

34,421

94,233

Other creditors

7,075

11,048

Taxation and social security

8,619

5,270

50,115

110,551



**Grace Foundation**  
(A Company Limited by Guarantee)

Notes to the accounts  
for the year ended 31 August 2021 (*continued*)

**11 Financial Instruments**

	2021 £	2020 £
<b>Financial assets</b>		
Cash and cash equivalents	182,414	46,270
Financial assets that are debt instruments measure at amortised cost	-	236
	<u>182,414</u>	<u>46,506</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised costs	41,496	105,402
	<u>41,496</u>	<u>105,402</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.

**12 Movement in funds**

	At 1 September 2020 £	Incoming resources £	Outgoing resources £	At 31 August 2021 £
Unrestricted funds	(61,217)	896,902	(699,124)	136,561
	<u>(61,217)</u>	<u>896,902</u>	<u>(699,124)</u>	<u>136,561</u>
<b>Movement in funds (prior year)</b>				
	At 1 September 2019 £	Incoming resources £	Outgoing resources £	At 31 August 2020 £
Unrestricted funds	106,808	456,350	(624,375)	(61,217)
	<u>106,808</u>	<u>456,350</u>	<u>(624,375)</u>	<u>(61,217)</u>

**13 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 £35,097 (2020 - £12,817). There were outstanding contributions of £Nil (2020 - £Nil) at the end of the financial year.

**Grace Foundation**  
(A Company Limited by Guarantee)

Notes to the accounts  
for the year ended 31 August 2021 (*continued*)

**14 Reconciliation of income/(expenditure) in funds to net cash flow from operating activities**

	2021 £	2020 £
Income/(expenditure) in funds	197,778	(168,025)
Add back depreciation charge	943	1,252
(Increase)/Decrease in debtors	(2,141)	-
Increase/(Decrease) in creditors	(60,436)	105,366
	<hr/>	<hr/>
Net cash provided by operating activities	136,144	(61,407)
	<hr/>	<hr/>

**15 Related party transactions**

During the year the company made payments of £152,671 (2020 - £343,121) to Tove Learning Trust, a company in which Lord and Lady Edmiston are directors.

The charity deals with Tove Learning Trust on an arm's length basis. £31,699 was outstanding in the current year (2020 - £88,659).

During the year donations of £894,766 (2020 - £430,000) were received from I.M.Group Limited, a company which Lord Edmiston indirectly owns 100% of the issued share capital.

Radical Outreach Limited is a company owned and controlled by a family member of Lord Edmiston. During the year Radical Outreach Limited provided consultancy services to Grace Foundation and received £20,161 (2020 - £18,844). £Nil was outstanding in the current year (2020 - £1,571).

This **DEED** is made the 24<sup>th</sup> day of March 2022 between **I.M. Group Limited** of The Gate, International Drive, Solihull, B90 4WA ("**IMG**") and **Grace Foundation** of The Gate, International Drive, Solihull B90 4WA ("**Grace**").

Now it is agreed as follows:

1. IMG and its directors hereby agree that it shall continue to provide funding and financial assistance to Grace, a registered charity, for the period from the date of this Deed and ending 30 April 2023 in a sum sufficient for Grace to be able to continue to operate as a going concern and to meet all of its financial obligations to its creditors up to a limit of £1.5million.
2. This Deed is subject to the laws of England and Wales and the Courts of England shall have exclusive jurisdiction to determine any dispute relating to it.

Executed as a Deed the day and year above written:

Executed by **Gary Hutton** on behalf of **I.M. Group Limited**:

A handwritten signature in black ink, appearing to be 'G. Hutton', written over a dotted line.

Executed by **Gary Spicer** on behalf of **Grace Foundation**:

A handwritten signature in black ink, appearing to be 'G. Spicer', written over a dotted line.