

Company Registration Number 12579103

Charity Registration Number 1189538

GRACE ENTERPRISES NOTTINGHAM LIMITED
(a company limited by guarantee)

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 29 APRIL 2020 TO 31 AUGUST 2021

Swimming
against the tide?

We will help you find
calmer waters



Baines Jewitt
CHARTERED ACCOUNTANTS
AND BUSINESS ADVISERS

GRACE ENTERPRISES NOTTINGHAM LIMITED
(a company limited by guarantee)

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FOR THE PERIOD FROM 29 APRIL 2020 TO 31 AUGUST 2021**

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GRACE ENTERPRISES NOTTINGHAM LIMITED
(a company limited by guarantee)

REPORT OF THE TRUSTEES
FOR THE PERIOD FROM 29 APRIL 2020 TO 31 AUGUST 2021

The trustees are pleased to present their report, together with the unaudited financial statements of the charitable company (the charity) for the period from 29 April 2020 to 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland', published in October 2019.

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name:	Grace Enterprises Nottingham Limited
Company Registration No:	12579103
Charity Registration No:	1189538
Principal Office:	1 Castle Boulevard Nottingham NG7 1FT
Trustees/Directors:	J.P. Collinge (appointed 29.4.20) D.T. Kingsley Miller (appointed 29.4.20) S. Lee (appointed 6.8.21) Dr. L. Olotu-Umoren (appointed 6.8.21) G.S. Bowpitt (appointed 6.8.21) J. Dykes (appointed 14.9.20) J.E. Walker (appointed 14.9.20, resigned 13.12.20) L.E. Hay (appointed 29.4.20, resigned 5.9.20) K.J.R. Crookdake (appointed 29.4.20, resigned 7.9.20)
Chief Executive Officer:	M.R.J. Parfitt (appointed 29.4.20)
Independent Examiner:	Mr J. Lester FCA Baines Jewitt Limited Barrington House 41-45 Yarm Lane Stockton-on-Tees TS18 3EA
Bankers:	Lloyds Bank Ariel House 2138 Coventry Road Birmingham B26 3JW

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Grace Enterprises Nottingham Limited is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 29 April 2020. It is also a charity registered with the Charity Commission with effect from 18 May 2020.

Recruitment and Appointment of Trustees

The charity may by ordinary resolution appoint a person who is willing to act as a trustee and director and determine the order of rotation in which they are to retire. No person other than a trustee retiring by rotation may be appointed as a trustee at any general meeting unless he or she is recommended for election by the trustees.

GRACE ENTERPRISES NOTTINGHAM LIMITED
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**REPORT OF THE TRUSTEES
FOR THE PERIOD FROM 29 APRIL 2020 TO 31 AUGUST 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT (*Continued*)

Organisational Structure

In relation to the Companies Act 2006, trustees are also directors of the limited company.

The charity wholly-owns a trading company called Radiant Cleaners Limited (Company Number: 1074139). This company is recognised as a Social Enterprise and has an asset-lock in place so that all profits will be re-invested in the company or gifted to Grace Enterprises.

OBJECTIVES AND ACTIVITIES

The charity's objectives are:

1. The relief of unemployment for the public benefit in the United Kingdom in such ways as may be thought fit, including:
 - 1.1 establishing and supporting (financially or otherwise) subsidiary companies which will provide ethical employment opportunities for the long-term unemployed or others facing any form of barrier to work (whether by reason of youth, age, ill-health, disability, or any other disadvantage);
 - 1.2 providing support and assistance to individuals seeking employment and ongoing support and assistance to those who find employment (whether by way of mentoring, guidance, advice, training, or any other means); and
 - 1.3 influencing public policy and social attitudes towards the long-term unemployed and the support provided to enable vulnerable individuals to find and maintain employment.
2. To promote social inclusion for the public benefit in the United Kingdom by preventing people from becoming socially excluded and/or relieving the needs of those people who are socially excluded and assisting them to integrate into society.

The charity incorporates wholly-owned social enterprise trading companies that recruit and employ people who have been unemployed in the long-term and find employment difficult to achieve because of their history of addictive, offending or abusive behaviours, or simply because of homelessness or a socially-excluded lifestyle. The charity provides management and back-office services to these companies. The charity also employs an Employee Support Worker who monitors the holistic wellbeing of employees regularly through formal meetings and use of our in-house designed 'Living Life Index'.

The trustees take full regard of the guidance given by the Charity Commission on public benefit. At each regular meeting of the trustees, they take reports from the operational management with specific focus on colleagues' wellbeing and safeguarding.

ACHIEVEMENTS AND PERFORMANCE

During this accounting period, the charity's trading arm, Radiant Cleaners Limited, provided new jobs for 22 new beneficiaries, and provided workplace training to the team of 35 cleaners. Four employees have been totally released from their dependency on work-related benefits and we have seen seven colleagues leave us to gain sustainable employment elsewhere or go into full-time education.

During the COVID pandemic, the trading arm was able to top up our beneficiaries' furlough payments so that they received 100% of their pre-pandemic pay throughout lockdown.

During this period, we were grateful to the Thomas Farr Charity for funds that they donated to the charity to facilitate our achievements.

We are also indebted to many of the customers of our trading arm who continued to support the business and its employees throughout lockdown - even when cleaning was not permitted due to lockdown restrictions.

GRACE ENTERPRISES NOTTINGHAM LIMITED
(a company limited by guarantee)

**REPORT OF THE TRUSTEES
FOR THE PERIOD FROM 29 APRIL 2020 TO 31 AUGUST 2021**

FINANCIAL REVIEW

The charity delivered a surplus in the period whilst also being able to recruit an Employee Support Co-ordinator and a team member to be responsible for social media, website and operational systems.

The trustees report no concerns around the charity's ability to continue as a going concern.

There are no funds in deficit within the charity or any of its trading activities to date.

The charity's principal sources of income are:

- the management fees that it charges to its operating companies for the services that it provides to them;
- charitable funding; and
- personal donations from benefactors.

Reserves Policy

The Trust's policy is that the charity's reserves must be between 25% and 90% of its annual operating expenditure (excluding one-off projects).

The trustees believe that 25% is the correct minimum level of reserves to protect the charity and those who benefit from it, from the effects of the most likely financial risks. The trustees have reached this conclusion because it would enable Grace Enterprises' employees to be made redundant, paying them for their notice period and any Statutory Redundancy Pay that they were entitled to. Reduced operations could then be maintained by volunteers.

The trustees believe that 90% is the correct maximum level of reserves because, if more were held, this would unnecessarily tie up donors' money in an unproductive way.

The trustees monitor the level of the Trust's reserves monthly, and review the Reserves Policy on an annual basis (at the same time as assessing the Financial Plan for the year ahead) and whenever a change is made to the Trust's Risk Register. If the reserves needed to temporarily fall below 25% of the Trust's annual operating expenditure, the trustees would be informed immediately by the CEO of Grace Enterprises.

At 31 August 2021, reserves amounted to £35,602. There were no restricted funds within this amount.

Risk Management

Within the current financial year to August 2022, the charity has formed and plans to launch another trading company in a separate business sector. Whilst, in the long-term, this diversity will reduce the financial risk to the charity and spread overheads across another income earning business, there is an inherent short-term risk around financial success, and investment required to launch this company. However, the trustees believe that the time is right to launch this business in the light of a healthy cash flow situation, strong relationships with past and potential funders and a strong management team with the experience of creating sustainable trading companies owned by the charity.

The risks will be identified on the charity's risk register and will be managed through a monthly scheduled meeting of a delegated quorate subset of the Trustee Board with the CEO of the charity.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the trustees on 7th December 2021
and signed on their behalf by:



.....
J.P. Collinge, Chair of Trustees

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
GRACE ENTERPRISES NOTTINGHAM LIMITED**
(a company limited by guarantee)

I report to the charity trustees on my examination of the accounts of the company for the period from 29 April 2020 to 31 August 2021 which are set out on pages 5 to 12.

Responsibilities and Basis of Report

As the charity trustees of the company (who are 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').

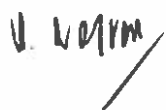
Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). 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.



Mr. J. Lester FCA
Baines Jewitt Limited
Chartered Accountants
Barrington House
41-45 Yarm Lane
Stockton-on-Tees
TS18 3EA

Dated: 9 December 2021

JL/AJD

GRACE ENTERPRISES NOTTINGHAM LIMITED
(a company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD FROM 29 APRIL 2020 TO 31 AUGUST 2021

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
INCOME				
Grants, donations and legacies	4(a)	42,880	-	42,880
Income from charitable activities	4(b)	49,250	-	49,250
Other income	4(c)	602	-	602
TOTAL INCOME		92,732	-	92,732
EXPENDITURE				
Charitable activities	5	57,130	-	57,130
TOTAL EXPENDITURE		57,130	-	57,130
Net Movement in Funds		35,602	-	35,602
Reconciliation of funds:				
Total funds brought forward		-	-	-
Total Funds Carried Forward	14&15	35,602	-	35,602

The Statement of Financial Activities includes all gains and losses recognised in the period.

All incoming resources and resources expended derive from continuing activities.

GRACE ENTERPRISES NOTTINGHAM LIMITED
(a company limited by guarantee)
Company Registration Number 12579103

BALANCE SHEET
31 AUGUST 2021

	Notes	£	2021 £
FIXED ASSETS			
Investments	11		1
CURRENT ASSETS			
Debtors	12	347	
Cash at bank and in hand		38,367	
		<u>38,714</u>	
CREDITORS:			
Amounts falling due within one year	13	(3,113)	
NET CURRENT ASSETS			<u>35,601</u>
NET ASSETS	14		<u>35,602</u>
FUNDS	14&15		
Unrestricted funds			35,602
Restricted funds			-
TOTAL FUNDS			<u>35,602</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 August 2021.

The members have not required the charitable company to obtain an audit of its financial statements for the period ended 31 August 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- (i) ensuring that the charitable company keeps proper accounting records which comply with Sections 386 and 387 of the Companies Act 2006, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial period and of its surplus or deficit for the financial period in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the trustees on 7th December 2021 and signed on their behalf by:



.....
J.P. Collinge, Chair of Trustees

GRACE ENTERPRISES NOTTINGHAM LIMITED
(a company limited by guarantee)

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 29 APRIL 2020 TO 31 AUGUST 2021**

1. CHARITY INFORMATION

The charity (registered number 1189538) is a public benefit entity incorporated in the UK on 29 April 2020 as a company limited by guarantee. 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 operation and principal activities is the relief of unemployment for the public benefit in the United Kingdom in such ways as may be thought fit.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Basis of Preparation and Assessment of Going Concern

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards, the Statement of Recommended Practice: Accounting and Reporting by 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 UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

3. ACCOUNTING POLICIES

(a) Income Recognition

All incoming resources are included in the Statement of Financial Activities 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.

Grants and donations

- Where donors specify that grants and donations given to the charity must be used in future accounting periods, the income is deferred until those periods.
- Where donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

Donated asset, services and facilities

Donated asset services and facilities are only included in incoming resources (with equivalent amounts in resources expended where applicable) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value of the asset, services or facilities received which is the amount the charity would have been willing to pay to obtain the asset, services or facilities of equivalent economic benefit on the open market.

Management fees and similar income

Fees receivable and charges for services provided are accounted for in the period in which the service is provided.

(b) Resources Expended

Resources expended are recognised in the year in which they are incurred and are shown inclusive of any attributable VAT, which cannot be recovered.

(c) Unrestricted and Restricted Funds

Unrestricted funds comprise income received or generated by reference to the general objects of the charity without further specified purpose. Such funds may however be designated by the trustees for specific purposes from time to time.

Restricted funds are those donated for a specified purpose as laid down by the donor or as a result of a specific appeal or application. Such funds are kept separate from the unrestricted funds of the charity and only related expenditure is charged against them.

GRACE ENTERPRISES NOTTINGHAM LIMITED
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**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 29 APRIL 2020 TO 31 AUGUST 2021**

3. ACCOUNTING POLICIES (Continued)

(d) Investments

Investments in unlisted subsidiaries are measured at cost less impairment.

(e) Financial Instruments

The charity only has financial assets and 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. Any losses arising from impairment are recognised in expenditure.

4(a) INCOME FROM GRANTS, DONATIONS AND LEGACIES

These comprise:	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Grant income - The Thomas Farr Charity	5,000	-	5,000
Gifts and donations	37,880	-	37,880
	<u>42,880</u>	<u>-</u>	<u>42,880</u>

The charity benefits from the involvement and enthusiastic support of its volunteers. In accordance with accounting standards, the economic contribution of general volunteers is not measured in the accounts.

4(b) INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Management fees	49,250	-	49,250

4(c) OTHER INCOME

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Compensation	525	-	525
Other	77	-	77
	<u>602</u>	<u>-</u>	<u>602</u>

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Salaries	48,756	-	48,756
Employer's national insurance	(2,143)	-	(2,143)
Staff training	60	-	60
Pension costs	1,098	-	1,098
Business development	3,120	-	3,120
Support costs	3,839	-	3,839
Governance costs	2,400	-	2,400
	<u>57,130</u>	<u>-</u>	<u>57,130</u>

GRACE ENTERPRISES NOTTINGHAM LIMITED
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**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 29 APRIL 2020 TO 31 AUGUST 2021**

6. ANALYSIS OF SUPPORT COSTS

	Unrestricted Funds	Restricted Funds	Total Funds
	2021	2021	2021
	£	£	£
Salaries	1,918	-	1,918
Advertising and marketing	76	-	76
Bank fees	185	-	185
General expenses	82	-	82
IT software and consumables	488	-	488
Subscriptions	911	-	911
Travel	179	-	179
	<u>3,839</u>	<u>-</u>	<u>3,839</u>

7. ANALYSIS OF GOVERNANCE COSTS

	Unrestricted Funds	Restricted Funds	Total Funds
	2021	2021	2021
	£	£	£
Accountancy fees	<u>2,400</u>	<u>-</u>	<u>2,400</u>

8. REMUNERATION OF STAFF, TRUSTEES AND KEY MANAGEMENT PERSONNEL

	2021
	£
Salaries and wages	50,674
Employer's national insurance	(2,143)
Pension costs	1,098
	<u>49,629</u>

The total employment benefits, including employer pension contributions, of key management personnel were £49,628.

No employees earned £60,000 per annum or more.

The average monthly number of staff employed by the charity during the period was as follows:

	2021
	No.
Direct charitable work	2
Administrative	1
	<u>3</u>

The full-time equivalent number of staff employed by the charity during the period was two.

No trustees were reimbursed any expenses during the period under review.

No remuneration was paid to any trustee or to any person connected with them during the period under review.

9. NET INCOMING RESOURCES FOR THE YEAR

	2021
	£
This is stated after charging:	
Independent Examiner's fees:	
- independent examination	800
- accounting and other services	<u>1,600</u>

GRACE ENTERPRISES NOTTINGHAM LIMITED
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**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 29 APRIL 2020 TO 31 AUGUST 2021**

10. TAXATION

HM Revenue & Customs Charities Division have approved the charitable status of Grace Enterprises Nottingham Limited and its income is therefore exempt from tax, under Sections 505 and 506 of the Taxes Act 1988, provided that it is applied for charitable purposes only.

11. FIXED ASSET INVESTMENTS

	Other Investments £
Additions at cost	1
At 31 August 2021	<u>1</u>

Fixed asset investments are measured at cost less impairment on the basis that they represent shares in entities that are not publicly traded and for which the fair value cannot otherwise be measured reliably.

The above investment reflects a 100% holding in the ordinary share capital of Radiant Cleaners Limited (Company Number 11074139). Its registered office is 1 Castle Boulevard, Nottingham, NG7 1FT. At 31 August 2021, the aggregate capital and reserves of the company amounted to £13,827 and the gross income, expenditure and profit for the year amounted to £229,703, £216,392 and £13,311 respectively.

12. DEBTORS

	2021 £
Sundry debtors and prepayments	<u>347</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £
Trade creditors and accruals	2,400
Other creditors	1
Social security and other taxes	712
	<u>3,113</u>

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Fixed assets	1	-	1
Net current assets	<u>35,601</u>	<u>-</u>	<u>35,601</u>
	<u>35,602</u>	<u>-</u>	<u>35,602</u>

GRACE ENTERPRISES NOTTINGHAM LIMITED
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**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 29 APRIL 2020 TO 31 AUGUST 2021**

15. MOVEMENT IN FUNDS

	Income £	Expenditure £	Transfers £	At 31.8.21 £
Unrestricted Funds				
General	<u>92,732</u>	<u>57,130</u>	<u>-</u>	<u>35,602</u>
Total Funds	<u>92,732</u>	<u>57,130</u>	<u>-</u>	<u>35,602</u>

16. RELATED PARTY TRANSACTIONS

Total unrestricted donations received from trustees/directors during the period under review amounted to £240.

Grace Enterprises Nottingham Limited is the parent company of Radiant Cleaners Limited. During the period, income receivable from the subsidiary was as follows:

	2021 £
Donations	5,000
Fees for management services	<u>49,250</u>

Mrs. L.E. Hay was a director of Grace Church Nottingham Limited during the period under review.

Transactions between Grace Enterprises Nottingham Limited and Grace Church Nottingham Limited during the period were as follows:

	2021 £
Donations received from Grace Church Nottingham Limited	<u>12,896</u>

Mr. J.P. Collinge, Mrs. K.J.R. Crookdake and Mrs. L.E. Hay were directors of Grace Companies Ltd.

Transactions between Grace Enterprises Nottingham Limited and Grace Companies Ltd during the period were as follows:

	2021 £
Donations received from Grace Companies Ltd	<u>5,914</u>

On 18 June 2020, the charity entered into a Business and Asset Transfer Agreement with Grace Companies Ltd under which the charity purchased, as a going concern, all of the assets and liabilities of Grace Companies Ltd for £1.

17. CONTROLLING PARTY

Throughout the period under review the charity was under the control of the Board of Trustees.

GRACE ENTERPRISES NOTTINGHAM LIMITED
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**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 29 APRIL 2020 TO 31 AUGUST 2021**

18. FINANCIAL INSTRUMENTS

The carrying amounts of the charity's financial instruments are as follows:

Financial Assets	2021
	£
Debt instruments measured at amortised cost:	
- Other debtors	14
	<hr/>
Equity instruments measured at cost less impairment	1
	<hr/>
Financial Liabilities	2021
	£
Measured at amortised cost:	
- Other creditors	1
	<hr/>

There were no income, expenses, net gains or losses attributable to the charity's financial instruments.