

Charity No: 257516

The Grace Trust

Annual report and consolidated financial statements
Year ended 31 December 2020

The Grace Trust

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Legal and Administrative Information

Trustees	Aller Brook Ltd (Company number 7215617) Scribefort Ltd (Company number 7230717)
Principal office	Noble House Eaton Road Hemel Hempstead HP2 7UB
Independent Auditor	Crowe U.K. LLP Fourth Floor St James House St James' Square Cheltenham GL50 3PR
Bankers	HSBC plc Station Place Letchworth SG6 3AJ
Solicitors	Farrer & Co 66 Lincoln's Inn Fields Holborn London WC2A 3LH

The Grace Trust

Report of the Trustees

The Trustees are pleased to present their report together with the charity and group financial statements for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice Standard applicable in the UK and Republic of Ireland (SORP FRS 102).

Structure, Governance and Management

The Grace Trust (the Trust) (Charity Number 257516) was founded by Trust Deed on 13 March 1968. Established by a member of the Plymouth Brethren Christian Church, the Trust continues to be led by strong Christian principles and makes grants and donations to support the education of young people, alleviate poverty and provide humanitarian relief.

Trustees

The Boards of Directors of the corporate Trustees meet regularly. The Trustees since 1 January 2020 and to the date that this report were signed, were as follows:

Aller Brook Ltd
Scribefort Ltd

The Directors of Aller Brook Ltd and Scribefort Ltd since 1 January 2020 were as follows:

John Anderson (resigned 10 August 2021)
Richard Blackledge
Joseph Brewer (appointed 18 August 2021)
Timothy Dallow
Charles Hathorn
Charles Leflaive (appointed 18 August 2021)
Graham Reiner
Douglas Smart (resigned 10 August 2021)

The power to appoint new trustees is vested with the existing Trustees of the Trust. There is an informal interview and induction process for any new Trustee. Continuing training for Trustees is undertaken through regular meetings and discussions with individuals and organisations in areas supported by the Trust. All Trustees are given the relevant documents to review in relation to the responsibility of a Trustee and the importance of the role, as well as the time commitment required. With regards to specific training, this would relate to their responsibility in the trust. For example, any Trustee involved with financial matters would receive a specific handover detailing their responsibilities and duties.

The boards of directors of the corporate trustees comprise the key management personnel of the charity in charge of directing and controlling, running and operating the trust on a day-to-day basis. All directors give of their time freely and no director received remuneration or any reimbursed expenses in the year. The charity manages its subsidiary undertakings through a combination of regular reporting and scrutiny, and attendance at relevant meetings. Details of subsidiaries and related party transactions are disclosed in notes 3 and 16 to the financial statements.

As a large charity, the Trustees of the Grace Trust have adopted the Charity Governance Code, and report on the following areas:

- **Organisational Purpose.** The Grace Trust's organisational purpose is to raise funds to enable it to deliver public benefit by making donations to charitable causes, especially in the area of education and the support and development of young people. The Trustees are committed to identifying and providing support in this area, and the success of this is measured and reported on in the impact statement below.
- **Leadership.** The Grace Trust is led and governed by its Trustee Board, members of which are individuals with diverse but relevant experience across business and the third sector. The Trustees meet regularly to agree strategy and provide direction to the charity, and monitor the ongoing

effectiveness of the leadership model. The names of the Trustees who served during the year are detailed earlier in this report.

- **Integrity.** Integrity is a fundamental governing principle of the charity, and underlies the actions taken by the Trustees in all areas. This principle extends to the making of donations and grants to appropriate causes, respect for the wishes of our many and generous donors, and the control of any potential conflicts of interest, through openness, policy and joint accountability. The Trustees understand the importance of retaining the public's trust and confidence, and demonstrable integrity is key for all stakeholders.
- **Decision making, risk and control.** The aim of the Grace Trust is to have effective and quality decision making, taking into account considerations of risk. This is facilitated by regular reviews of past decisions, resulting impact, and an ongoing consideration and review of risk and risk control. As part of these controls, the Trust maintains a detailed risk register which is reviewed on a regular basis.
- **Board effectiveness.** The Directors of the Corporate Trustees meet for formal board meetings on a regular basis, ordinarily monthly. As a result of the COVID-19 pandemic during the year, the majority of the board meetings were held virtually, with face to face meeting resuming towards the end of the year, as restrictions were eased. Independence is maintained through a conflicts of interest policy and register, and all decisions agreed at board meetings are documented via formal minutes. The operation of the independent Grant Making Committee is reviewed at Board level on a regular basis.
- **Diversity.** The Trust recognises that the future sustainability of the charity relies on a suitably diverse approach - both at board level and across volunteers and staffing within the trading subsidiaries. This is reviewed on a regular basis.
- **Openness and accountability.** As a grant making charity, The Grace Trust is aware that it is accountable to the many and generous donors that make its operations possible. We therefore seek to engage with our stakeholders on a regular basis, with the aim of building good relationships with all who have an interest in our charitable activities. All of our donations are made with the predicted impact as a key factor.

The Board is pleased to report that all aspects of the Code are applied effectively to the governance of the Trust, and it is the intention of the Trustees to continue to review and comply with these requirements in the future.

Objectives, Activities and Public Benefit

The objects of the Trust, as set out on the Trust Deed, are for general charitable purposes. The Trustees confirm they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, and in future planning activity and setting the grant making policy for the year. The Trust's vision is the advancement of Christianity to all – both believers and non-believers.

The Trust carries out these objects by making donations to charitable causes, especially in the areas of education, alleviating poverty and providing humanitarian relief.

The Trust's values include integrity, generosity and reflecting the compassion and love of God.

Grant making policy

The Trust has a comprehensive Grant Making Policy, established to maximise the impact of all donations. While the Trust has a long tradition of supporting educational organisations, the Trust also supports UK registered charities in the areas of non-government emergency services and medical relief, disaster relief, childcare, disability support and essential medical research. Grants to educational charities forms the largest part of the Trust's charitable activity, and the Trustees select educational charities which are

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committed to providing, or supporting the provision of an education for children and young people regardless of their parents' ability to pay, their academic ability, or any special educational needs.

The Grace Trust is also proactive in its outreach, monitoring the news and aiming to provide impactful donations when situations arise where urgent help is needed. The Grace Trust prioritise responsible giving, with the impact of donations at the forefront of all decision-making.

All applications are considered carefully by the Trustees, and recommendations are made by the grant-making committee, comprising individuals who are not Trustees of the Grace Trust, for approval by the Trustees. This allows for additional scrutiny of applications, and unbiased opinions to be presented to the Board, therefore providing increased independence.

The Trustees have had regard to the guidance contained in the Charity Commission's published guidance on public benefit requirements. The Trustees recognise the importance of being outward looking and of making grants to a wide range of charities in order to demonstrate this benefit. The independent Grant Making Committee is encouraged to make grants in accordance with the criteria set out above but also to give due consideration to any applications for grants from charities.

Checks are made to ensure that charities to whom grants are made are well run and financially sound; that their fundraising and administration costs are proportionate and moderate, and therefore maximise the percentage of funds received that are applied to the relevant charitable purpose. The Trustees also recognise the importance of monitoring the application of funds granted, to ensure that they are used appropriately in accordance with the purposes for which they are awarded. To achieve this, recipients of grants from the Charity are expected to report on how the funds have been applied, and the Trustees use these reports to assess the impact of the grant making programme, and importantly, the development and progression of this. The Trustees have considered the Charity Commission guidance in this area.

Achievements and Performance

During the year ended 31 December 2020 the charity made grants of £30.8 million to a wide range of charitable organisations. The grants provided to these charities have enabled the Trust to achieve its objectives through the furtherance of Christian principles by the support of education, humanitarian aid and alleviation of poverty. The Trust affirms the public benefit of providing support to such a range of organisations.

Alongside the donations, the Grace Trust also works closely with those who receive money to make sure the resources are used impactfully and responsibly.

The Grace Trust donates to a large variety of charities (See note 4 for the list of grants awarded during the year). Below are a few examples, of how our grants have impacted the charity.

- **OneSchool Global** is the largest beneficiary of the educational establishments the Grace Trust provides support to and the Trustees continue to be impressed by the achievements of the pupils and faculty. The school offers a self-directed learning model to students using cutting-edge technology, including Canvas and Zoom, which allows for on demand learning and facilitates highly effective student engagement in their education. With the disruption of the pandemic, OneSchool Global's use of digital teaching since 2011 meant they could seamlessly transition to online learning overnight and as a result, very few learning days were lost throughout the pandemic. OneSchool Global A-Level and GCSE results for the 2020/21 school year are their best ever. The Grace Trust Trustees are very pleased to see how their grants are making these achievements possible.
- **Young Enterprise** is a charity working directly with young people, teachers, parents, businesses and influencers to help build a successful and sustainable future for all young people and society at large. The Trustees are pleased to have supported this worthwhile organisation, who commented "We are very grateful to the Trust and thankful for the support, which has been allocated towards our Company Programme across 2021. We currently have 372 student companies across England and Wales and despite this being a reduced number from previous

years due to the Covid-19 pandemic, we are so pleased to see thousands of resilient young people across the country participating and developing their skills and an enterprising mindset.”

- With the increased focus on the valuable work of the NHS over the past year, the Grace Trust is pleased to have been able to support a number of the NHS Charities. One such trust is the **Manchester University NHS Foundation Trust Charity**, provided with support by the Trust which has made a difference for premature babies and their families at St Mary’s Hospital, Manchester.
- The Grace Trust is also pleased to support charities operating overseas, and has provided grants to assist the work of Concern Worldwide for a number of years. It is particularly pleasing to the Trustees to be able to report on the impact such donations achieve, with the following comments from Concern Worldwide: “The Grace Trust has been a valued supporter of Concern Worldwide’s work since 2015. This year the Trust generously donated to our project supporting the economic resilience and livelihoods of local communities affected by the COVID-19 pandemic in the Central African Republic. At Concern our goal is to end extreme poverty, whatever it takes, and we could not do this without the support of donors like The Grace Trust who share our vision of a world free from poverty.”
- The Trust continues to provide grants to **Air Ambulances** who do not receive government funding and are extremely depending on grants and donations. In 2020, the Trust has continued to provide financial support to air ambulance charities who deliver medical assistance to some of the UK’s most seriously injured patients.

Fundraising and Volunteers

The Grace Trust’s fundraising is undertaken mainly through ‘soft sell’ marketing campaigns, aimed at making communities aware of the impact which the Grace Trust has. These campaigns are facilitated largely through presentations, and one-to-one meetings. The charity is registered with the Fundraising Regulator, and is committed to follow the Code of Fundraising Practice across all its fundraising activities. During the year under review, the trustees are pleased to report that there were no failures to comply with the Code of Practice, and the charity received no complaints about the way its fundraising activities were carried out.

To ensure the very best use is made of monies donated and to maximise the impact of our funds, we keep paid staff to a minimum and rely heavily on volunteers. All persons volunteering for fundraising activities with the Grace Trust are provided with an initial induction and training, to ensure they are fully conversant with their responsibilities and duties under the Code, and in particular, the need to be legal, open, honest and polite when dealing with members of the public, and to be aware of the potential impact on, and the need to protect, persons in vulnerable circumstances.

The majority of fundraising activity is carried out by a group of volunteers, called the Global Funding Team (GFT). This team was established during 2018 to raise awareness of the Grace Trust and its charitable activities and engage with communities with a view to securing donations from individuals and businesses across the UK. The trustees are pleased to be able to report that the activities of GFT have been very successful, and even despite the disruption caused by the global pandemic during 2020, donors across the UK continue to support the charity as a result of the efforts and hard work of in excess of 600 volunteers. The Trustees extend special thanks to these individuals for their contribution.

Financial Review

The group’s total income for the year was £127,452,335 (2019: £102,694,033). Net movement in funds for the year was £22,910,020.

The group had two active trading subsidiaries during the year; UBT (EU) Limited and UBT Accountants Limited. These subsidiaries pass any surpluses by way of Gift Aid to The Grace Trust and other charities.

The profit after tax of UBT (EU) Ltd was £21,148,610 for the year ended 31 December 2020. Gift aid of £21,068,610 will be paid to The Grace Trust. The profit after tax of UBT Accountants Ltd for the year ended 31 December 2020 was £236,972. The principal source of funding for the charity during the year was the

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income received from UBT (EU) Ltd. This income, combined with the income received from the donations from individuals, enabled the charity to achieve its objectives as outlined above.

The group has five more subsidiaries: The Grace Trading Group Ltd, which acts as an intermediary holding company, NOA (UK) Limited, UBT (Vine) Ltd, Insignia Enterprises (Europe) Ltd and Academy Schoolwear (Int) Ltd which were dormant during the period.

Profit and loss accounts for the principal subsidiaries are shown in note 3.

Covid-19

The biggest potential impact experienced during the year under review was the effects of the global pandemic caused by the spread of the coronavirus COVID-19. The effects of the economic slowdown and the restrictions imposed were potentially very damaging to the charitable activities of the Grace Trust, but the Trustees are pleased to report that through resilience and pro-active management, the impact was managed and controlled.

Following the initial outbreak and the first lockdown in March 2020, the trustees conducted an immediate impact review of subsidiary organisations, projected reduction in donation income, and reserves. They also reviewed outgoings – primarily grant payments, and reduced grant support to minimum levels. As a result of the majority of grant payments being made to educational establishments, and the fact that schools generally were closed for the duration of the lockdowns, our beneficiaries' requirement for grant income was reduced, which enabled us to reduce outgoings substantially without causing financial hardship, whilst the position of the charity's income became clearer through the year.

The trustees are pleased to be able to report that over the year donation income was maintained, and in some areas, even increased, and special thanks are due to all our generous donors for the fact that they were willing to maintain support for our charitable activities, even in such unprecedented times as were experienced. In addition, thanks to the resourcefulness and flexibility of the management in the subsidiary companies, profits were not severely impacted. These facts, coupled with the reduction in requirement for grant support, has led to an increase in net resources at the year end, a position that seemed very unlikely in the dark days of the early stages of the pandemic in the first half of 2020.

Risk management

The Trustees are responsible for establishing and monitoring internal control systems within the Trust. The major risks which may impact the activities of the Trust have been reviewed during the year and the Trustees are satisfied that the system of internal controls currently in place is adequate, whilst recognising that they are designed to manage rather than eliminate risk. Internal controls are reviewed on an ongoing basis as part of the day-to-day risk management process within the Trust.

The Trustees have identified the key risks as:

1. a reduction in funding leading to inadequate liquid resources. The two main sources of funding for the trust are profits shed by way of Gift Aid from the main trading subsidiary, UBT (EU) Ltd, and donations from private individuals and businesses. UBT (EU) Ltd is a business services company, operating in a stable area of the SME market, and the Trustees regularly review business forecasts and MI, to ensure ongoing performance is reliable, and at the time of this report, are confident that the management are able to continue to deliver an acceptable level of profit and resource to the charity. The other major source of income is from donations: this has seen some gradual but sustained reduction over the last two years, and as a result, a new fundraising initiative has been put in place, as mentioned elsewhere in this report, which at the time of this report, is delivering positive results.
2. any event that potentially could impact on the reputation of the Trust. The Trustees are aware that although the Trust is not a household name, it is a large charity, handling a significant level of charitable funds, and review activities on a regular basis, with a view to enhancing the reputation and the goodwill of the Trust.

Future periods

Notwithstanding the comments in this report regarding the effects of COVID-19 during the year under review, the Trustees are aware that the effect of the global pandemic will be felt for a long time to come. Looking ahead to future periods, ongoing assessments and budgets are prepared to anticipate any further impact of an economic downturn as we emerge from the situation. At the time of the report, the Trustees forecast that although there is an expectation that donation income could fall over the next twelve months, this is expected to be more than compensated for by improved trading within the subsidiary companies. In addition, the Trust continues to work closely with its beneficiaries at an operational level to ensure maximum impact and efficiency is achieved.

Investments and Reserves

The target level of reserves is between £6 million and £9 million. This is to enable the level of grants made to be maintained in the short term, even if income decreases. Cash continues to be required to fund grants at short notice. As a result, any surplus resources are held as cash.

At 31 December 2020, the reserves of the charity comprised £55,132,647. Of these are expendable endowment funds of £7,416,140, comprising the Vision Foundation fund which is being invested for long term growth, restricted funds of £3,161,515 and investments of £1,000,198. Free reserves are £44,554,992. The trustees are aware of the fact that this is considerably in excess of the reserves policy, and are investigating additional long term endowment investment, to use the current situation to further strengthen the long term aims and benefits of the charity

It is the intention of the Trustees to continue monitoring the level of reserves and of grant making. The amount of future grant distributions and the level of reserves will continue to be dependent, amongst other factors, on the working capital requirements of the subsidiary companies and the timing of gift aid payments by them.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales 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 charity and the group and of the incoming resources and application of resources of the group 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Report of the Trustees

Approved by the Trustees on *15th October*.....2021 and signed on their behalf by:



Joseph Brewer
Director of Aller Brook Ltd and Scribefort Ltd
Corporate trustee

Opinion

We have audited the financial statements of The Grace Trust ('the charity') and its subsidiaries ('the group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, Group and Charity Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2020 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were employment legislation and taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal


correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of the Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP
Statutory Auditor
Fourth Floor
St James House
St James' Square
Cheltenham
GL50 3PR

Date: 22 October 2021

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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Consolidated Statement of Financial Activities For the year ended 31 December 2020

	Notes	Unrestricted Funds – Continuing Operations 31 December 2020 £	Unrestricted Funds – Discontinued Operations 31 December 2020 £	Unrestricted Funds – Total 31 December 2020 £	Restricted Funds 31 December 2020 £	Endowment Funds 31 December 2020 £	Total Funds Year Ended 31 December 2020 £	Total Funds Year Ended 31 December 2019 £
Income from:								
Donations		28,908,070	-	28,908,070	3,876,894	134,586	32,919,550	24,743,834
Other trading activities	3	65,387,847	28,800,180	94,188,027	-	-	94,188,027	77,845,966
Government grants	2a	303,437	-	303,437	-	-	303,437	-
Investments	2b	<u>41,321</u>	<u>-</u>	<u>41,321</u>	<u>-</u>	<u>-</u>	<u>41,321</u>	<u>104,233</u>
Total		<u>94,640,675</u>	<u>28,800,180</u>	<u>123,440,855</u>	<u>3,876,894</u>	<u>134,586</u>	<u>127,452,335</u>	<u>102,694,033</u>
Expenditure on:								
Raising funds	3	49,843,717	25,859,160	75,702,877	-	-	75,702,877	64,026,284
Charitable activities	4	<u>28,357,892</u>	<u>-</u>	<u>28,357,892</u>	<u>2,563,669</u>	<u>500,000</u>	<u>31,421,561</u>	<u>32,904,717</u>
Total		<u>78,201,609</u>	<u>25,859,160</u>	<u>104,060,769</u>	<u>2,563,669</u>	<u>500,000</u>	<u>107,124,438</u>	<u>96,931,001</u>
Net income/ (expenditure)		<u>16,439,066</u>	<u>2,941,020</u>	<u>19,380,086</u>	<u>1,313,225</u>	<u>(365,414)</u>	<u>20,327,897</u>	<u>5,763,032</u>
Transfers between funds		-	-	-	-	-	-	-
Gain on disposal of operations	17	<u>-</u>	<u>2,582,123</u>	<u>2,582,123</u>	<u>-</u>	<u>-</u>	<u>2,582,123</u>	<u>-</u>
Net movement in funds		<u>16,439,066</u>	<u>5,523,143</u>	<u>21,962,209</u>	<u>1,313,225</u>	<u>(365,414)</u>	<u>22,910,020</u>	<u>5,763,032</u>
Reconciliation of funds								
Balance brought forward at 1 January	13			<u>21,534,305</u>	<u>1,848,290</u>	<u>7,781,554</u>	<u>31,164,149</u>	<u>25,401,117</u>
Balance carried forward at 31 December	13			<u>43,496,514</u>	<u>3,161,515</u>	<u>7,416,140</u>	<u>54,074,169</u>	<u>31,164,149</u>

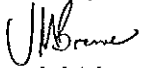
The notes on pages 15 to 46 form part of these financial statements.

The Grace Trust

Group and Charity Balance Sheets
As at 31 December 2020

		Group		Charity	
	Notes	2020 £	2019 £	2020 £	2019 £
Fixed assets					
Goodwill	6.1	1,751,714	66,796	-	-
Investments in subsidiary undertakings	8	-	-	1,000,198	1,000,198
Investments	8	7,416,140	7,781,553	7,416,140	7,781,553
Tangible fixed assets	7	1,377,136	1,223,159	-	-
		10,544,990	9,071,508	8,416,338	8,781,751
Current assets					
Stocks	9	881,014	2,311,860	-	-
Debtors	10	19,843,345	10,585,991	20,136,355	11,519,041
Cash at bank and in hand		39,729,883	20,951,772	26,608,779	12,260,594
		60,454,242	33,849,623	46,745,134	23,779,635
Current liabilities					
Creditors: amounts falling due within one year	11	(16,925,063)	(11,756,982)	(28,825)	(72,319)
Net current assets		43,529,179	22,092,641	46,716,309	23,707,315
Net assets		54,074,169	31,164,149	55,132,647	32,489,067
Funds					
Unrestricted funds	13	43,496,514	21,534,305	44,554,992	22,859,223
Restricted funds	13	3,161,515	1,848,290	3,161,515	1,848,290
Endowment funds	13	7,416,140	7,781,554	7,416,140	7,781,554
Total funds		54,074,169	31,164,149	55,132,647	32,489,067

The financial statements were approved and authorised for issue by the members of the Grace Trust on 15th October 2021 and signed on their behalf by:

Joseph Brewer 
Director of Aller Brook Ltd and Scribefort Ltd
Corporate trustees

Notes on pages 15 to 46 for part of these financial statements.

The Grace Trust

**Consolidated Cash Flow Statement
As at 31 December 2020**

		31 December 2020	<i>31 December 2019</i>
	Notes	£	£
Cash flows from operating activities:			
Net cash provided by operating activities	CF1	18,545,971	3,460,926
Cash flows from investing activities:			
Interest received		41,321	<i>104,233</i>
Payments to acquire tangible fixed assets		(479,967)	<i>(224,015)</i>
Payments to acquire intangible fixed assets		(1,779,000)	<i>-</i>
Purchase of investments		-	<i>(6,500,000)</i>
Gain on disposal of operations		2,582,123	<i>-</i>
Proceeds from sales of tangible fixed assets		2,250	<i>-</i>
Change in cash and cash equivalents in the reporting period		18,912,698	<i>(3,158,856)</i>
Cash and cash equivalents at the beginning of the year		22,233,325	<i>25,392,181</i>
Cash and cash equivalents at the end of the reporting period	CF2	41,146,023	<i>22,233,325</i>

CF1. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	31 December 2020	<i>31 December 2019</i>
	£	£
Net income	20,327,897	<i>5,763,032</i>
Interest receivable	(41,321)	<i>(104,233)</i>
Depreciation of tangible assets	312,118	<i>300,171</i>
Loss on disposal of tangible assets	11,623	<i>13,805</i>
Amortisation of goodwill	94,082	<i>103,604</i>
Impairment of investments	500,000	<i>-</i>
Decrease/(increase) in stock	1,430,845	<i>(868,286)</i>
(Increase) in debtors	(9,257,354)	<i>(2,803,102)</i>
Increase in creditors	5,168,081	<i>1,055,935</i>
Net cash provided by operating activities	18,545,971	<i>3,460,926</i>

CF2. Cash and cash equivalents

	31 December 2020	<i>31 December 2019</i>
	£	£
Cash held with investment managers	1,416,140	<i>1,281,553</i>
Cash at bank and in hand	39,729,883	<i>20,951,772</i>
	41,146,023	<i>22,233,325</i>

Legal Status of the Charity

The Grace Trust was registered with the Charity Commission for England and Wales on 13 March 1968 (registered number 257516). Its registered address is Noble House, Eaton Road, Hemel Hempstead, HP2 7UB. Please refer to Companies House for the addresses of all subsidiaries.

1. Accounting policies

1.1 Basis of preparing financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in relevant notes to these financial statements. The financial statements have been prepared in accordance with the 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) (effective 1 January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements of the charity's wholly owned subsidiaries, The Grace Trading Group Ltd, NOA (UK) Limited, UBT (EU) Limited, Insignia Enterprises (Europe) Limited, UBT (Vine) Ltd, UBT Accountants Limited and Academy Schoolwear (Int.) Ltd are consolidated on a line by line basis in these financial statements. The Charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement and certain disclosures about the Charity's financial instruments within the consolidated financial statements.

1.2 Going concern

The members have a reasonable expectation that the group has adequate resources to continue its activities for the foreseeable future following their review (including considerations surrounding Covid-19) of the financial position, reserves levels and future plans. Accordingly, they continue to adopt the going concern basis for preparing the financial statements.

1. Accounting policies (continued)

1.3 Income

Donations are recognised in the year in which the funds are received. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future year. Gift aid is accounted for in the same period as the associated donation.

UBT (EU) Limited and the group's principal income stream sells goods and services for the purpose of raising funds for The Grace Trust, the ultimate parent charity. Income is recognised at the fair value of the consideration received or receivable for sale of goods and/or services in the ordinary nature of the business. The income is shown net of Value Added Tax.

Turnover is recognised on despatch of the goods to the customer, or in respect of services when the delivery of services is completed. Where the company offers subscriptions to publications, this income is accounted for when the goods are supplied. The company also receives commissions and rebates from various suppliers of goods and services. This turnover is recognised in the period that the goods and services are supplied.

Grants of a revenue nature are recognised in income within the consolidated statement of financial activities in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme.

Investment income is accounted for on a receivable basis.

1.4 Expenditure

Expenditure is included on an accruals basis.

Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims. Irrecoverable VAT is charged against the relevant item of expenditure.

Costs of raising funds comprise those costs directly attributable to the gross expenditure of the subsidiary companies.

Grants payable are recognised when grants have been committed to unconditionally (or where any conditions are not under the control of the charity) and have been communicated to the recipient.

1.5 Governance costs

Governance costs are allocated to charitable activities and comprise all costs involving the public accountability of the charity and costs related to statutory requirements.

1.6 Goodwill

Acquired goodwill is written off in equal annual instalments over 10 years.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Leasehold improvements	Over the term of the lease
<u>Furniture, fittings and equipment:</u>	
Equipment	2-4 years
Motor vehicles	25% reducing balance
Software development	3 years

1. Accounting policies (continued)

1.7 Tangible fixed assets and depreciation (continued)

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

1.8 Investments

Fixed asset investments in subsidiaries are stated at cost less provision for diminution in value.

Unlisted investments are measured at historic cost and are reviewed annually for impairment.

Remaining investments are cash held on deposit until invested post year end.

1.9 Stock

Stock consists of purchased items for resale. Stocks are valued at the lower of cost and net realisable value. Cost is calculated on a first in first out basis. Net realisable value is based upon estimated selling price less further costs expected to be incurred on disposal. Provision is made for obsolete and slow moving items.

1.10 Leasing

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.11 Taxation

The Trust, which is a registered Charity, is entitled to taxation exemptions on all income properly applied for its charitable purposes. There is no taxation for the subsidiaries as any profits are gift aided to the parent Charity.

1.12 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

1.13 Debtors

Trade debtors, accrued income and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid. Known bad debts are written off and specific provision is made for any debts considered to be doubtful, if appropriate.

1.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

1.15 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement value.

1.16 Financial instruments

The group 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 loans which are subsequently measured at amortised cost using the effective interest method.

1.17 Redundancy costs

Redundancy and termination costs are accounted for on an accruals basis when the commitment to terminate a post on the grounds of redundancy has been made.

1. Accounting policies (continued)

1.18 Pensions – defined contribution

The subsidiaries operate a defined contribution scheme. Contributions are charged to expenditure as they become payable in accordance with the rules of the scheme.

1.19 Critical accounting judgements and key resources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical accounting estimates and assumptions:

Goodwill – Goodwill arises on the acquisition of subsidiaries calculated as the difference between any consideration paid and the net assets at the date of acquisition. The resulting goodwill is written off over the estimated useful economic life of the asset. Management have estimated the useful economic lives as being 10 years; this assumption reflects the difficulty in assessing the likely future economic life of the business acquired. Goodwill and the associated deferred consideration relating to the acquisition of Milburn Insurance Brokers is contingent on commission earned in the first, post-acquisition. See note 6 for further disclosures relating to Goodwill.

Useful economic lives of tangible fixed assets - the annual depreciation charge for the tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 7 for the carrying amount of the fixed assets and note 1.7 for the useful lives for each class of assets.

Impairment of debtors - the group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 10 for the net carrying amount of the debtors and associated impairment provision.

Stock provisioning – it is necessary to consider the recoverability of the cost of finished goods and associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials.

1.20 Expendable endowment fund

The expendable endowment fund has been created to generate sustainable income for the future.

Restricted funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Unrestricted funds

Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects or administration of the Charity.

The Grace Trust

**Notes to the financial statements
For the year ended 31 December 2020**

2a. Government grant income

	31 December 2020 £	<i>31 December 2019 £</i>
Coronavirus Job Retention Scheme	303,437	<i>104,233</i>

2b. Investment income

	31 December 2020 £	<i>31 December 2019 £</i>
Bank interest	41,321	<i>104,233</i>

Notes to the financial statements
For the year ended 31 December 2020

3. Income and expenditure of the Charity's subsidiary companies

The Charity has, via The Grace Trading Group Ltd (company no. 07263102), two wholly owned subsidiaries which have been trading during the year. UBT (EU) Limited (company no. 04938684) and UBT Accountants Limited (company no. 07346268) are incorporated in England and Wales. UBT (EU) Limited provides business services to raise revenue for charitable purposes. UBT Accountants provides accountancy, provision of training and consultancy services. A summary of the trading results of the trading subsidiaries is shown below. The Grace Trading Group Ltd acts as a holding company. Audited financial statements of the UK subsidiaries are filed with the Registrar of Companies.

	Year ended 31 December 2020 UBT Accountants Limited £	Year ended 31 December 2020 UBT (EU) Limited £	Year ended 31 December 2019 UBT Accountants Limited £	Year ended 31 December 2019 UBT (EU) Limited £
Profit and loss account				
Turnover	1,061,033	93,093,917	755,728	77,101,424
Cost of sales	(608,669)	(58,847,830)	(584,852)	(48,965,214)
Gross profit	452,364	34,246,087	170,876	28,136,210
Other operating expenses	(233,805)	(15,992,757)	(440,719)	(14,035,499)
Other operating income	20,502	303,437	501	-
Operating profit/(loss)	239,061	18,556,767	(269,342)	14,100,711
Profit on disposal of operations	-	2,582,123	-	-
Interest receivable	-	14,872	4,997	30,308
Investment income	-	12,576	-	-
Interest payable	(2,089)	(17,728)	-	-
Profit/(Loss) on ordinary activities before taxation	236,972	21,148,610	(264,345)	14,131,019
Taxation	-	-	-	-
Profit/(Loss) for the period	236,972	21,148,610	(264,345)	14,131,019
Shareholders' (deficit) / funds brought forward	(376,539)	202	(112,194)	202
Shareholders' (deficit) / funds carry forward	(139,567)	80,202	(376,539)	202

3. Income and expenditure of the Charity's subsidiary companies (continued)

	31 December 2020 UBT Accountants Limited £	31 December 2020 UBT EU Limited £	31 December 2019 UBT Accountants Limited £	31 December 2019 UBT EU Limited £
Total Assets	<u>395,518</u>	<u>36,400,073</u>	<u>243,392</u>	<u>22,418,235</u>
Total Liabilities	<u>(499,085)</u>	<u>(36,319,871)</u>	<u>(619,931)</u>	<u>(22,418,033)</u>

Related party transactions

Gift aid amounts were payable in the year from UBT (EU) Limited to The Grace Trust totalling £21,068,610 (2019: £14,131,019). At 31 December 2020 an amount of £19,871,910 (2019: £11,303,301) was owed from UBT (EU) Ltd to The Grace Trust. No gift aid was payable from UBT Accountants Limited in either the 2020 or 2019 financial years due to tax losses.

Directors or Companies with mutual directors of group entities have purchased goods and services from UBT (EU) Limited totalling £6,620,512 in their ordinary course of business. These purchases were at the normal commercial rates offered to other customers.

At the year end the following amounts were owed to the following group entities:

UBT (EU) Limited owed UBT Accountants Limited £50,000 (2019: £50,000 owed to UBT Accountants Limited).

The Grace Trust

Notes to the financial statements For the year ended 31 December 2020

4. Charitable activities

Grants payable	2020 £	2019 £
<u>Education:</u>		
Focus Learning Trust	3,047,774	11,005,805
OneSchool Global UK	23,944,749	18,310,441
OneSchool Global Europe	1,082,631	-
Balmoral Education	12,133	120,833
<u>Poverty:</u>		
4 Cancer Group	-	1,000
A Second Chance	-	250
Achievement for All (3As)	1,500	-
ACT	1,000	-
Action For Children	1,500	-
Action for Kids Charitable Trust	1,500	-
Action for Stammering Children	500	-
Action Medical Research	-	2,000
ACTION ON ELDER ABUSE	1,000	-
Addenbrooke's Charitable Trust	2,000	-
Africa Inland Mission International	1,500	-
African Pastors' Fellowship	-	250
Afrikids	1,250	1,000
Age UK	3,000	-
Aid for Relief and Change Limited	1,000	-
Air Ambulance - East Anglia	-	6,000
Air Ambulance – North West	4,000	4,000
Air Ambulance – Thames Valley	-	7,000
Air Ambulance – Yorkshire	-	5,000
Alex, the Leukodystrophy Charity	1,000	-
All We Can	-	1,500
Alzheimers Research	-	750
Ambassadors Football	-	250
AMREF HEALTH AFRICA	1,500	-
Anaphylaxis Campaign	1,000	-
Antibiotic Research UK	-	1,000
Arrive Alive	-	300
Arthur Rank Hospice Charity	-	1,000
Asist	1,000	-
Aspire	2,000	-

The Grace Trust

Notes to the financial statements For the year ended 31 December 2020

ASPIRE OXFORDSHIRE COMMUNITY	2,000	-
Asthma UK & British Lung Foundation	2,000	-
Baby Lifeline Ltd	2,500	-
Bala Childrens Centre Kenya	-	750
Banburyshire Citizen Project	-	250
Barnabas Community Projects	750	-
Barnados	-	5,000
Basingstoke and Northamptonshire Medical Trust Fund	-	500
Beatson Cancer Charity	2,000	-
Betel of Britain	2,000	-
Big Help Project	1,000	-
Birmingham Women's and Children's Hospital	1,500	-
BLESMA	1,500	-
Bliss	-	750
Bloodwisedue	-	1,000
Blueprint Training & Expertise	-	250
Body and Soul	-	1,000
BOLTON LADS AND GIRLS CLUBS LIMITED	1,500	-
Bowel Cancer UK	-	750
Boxes of Basics	1,000	-
BRACE	2,500	-
BRAIN TUMOUR RESEARCH	2,500	-
Brain Tumour Support	-	1,000
Breast Cancer Haven	-	1,750
Brighton and Hove City Mission	500	-
Bristol Neurological Support Centre	750	-
British Eye Research Foundation	-	1,750
British Heart Foundation	6,000	-
British Liver Trust	2,500	-
British Red Cross	-	5,000
Buddys for Children with Autism	-	250
Build Africa - Mums Read Kids Succeed Project	1,000	-
Butterfly Hospice	-	500
Buttle UK	1,500	-
Camden Psychotherapy Unit	500	-
Cancer Research UK	5,000	5,000
Canterbury and Costal Homestart Ltd	-	980
Care for Carers	500	-
Care for Children	1,500	-
Care Free Breaks	500	-

The Grace Trust

Notes to the financial statements For the year ended 31 December 2020

Care International UK	3,000	-
CARE NETWORK	1,250	-
CAMBRIDGESHIRE		
CARE OF POLICE	2,000	-
SURVIVORS		
Carers in Bedfordshire	1,250	-
Caring for Life	1,000	-
Caris Camden	-	750
Centrepont	3,000	-
Centrepont Soho	-	1,750
Cerebra	-	1,000
Cerebral Palsy Plus	750	-
CHARITY PROJECTS	1,500	-
CHART	980,000	240,000
Child Poverty Action Group	1,500	-
Childaid To Eastern Europe	1,000	-
Children Change	1,500	-
Children of Mekong	750	-
Children Today Charitable Trust	1,000	-
Children with Cancer	-	1,000
Children's Heart Surgery Foundation	1,500	-
Childrens Hope Foundation	-	250
Children's Hospice South West	-	1,000
Childrens Hospital Trust South Africa	-	1,000
Chris Westwood Charity for Children with Physical Disabilitiess	-	500
Chris Westwood Fund	-	500
Christian Aid	2,000	3,300
Christian Hope International	1,000	750
Christian Institute	2,500	2,500
Christian Police Association	2,000	-
Christian Solidarity International	1,500	-
Citizens Advice Greater Manchester Ltd	-	250
Combat Stress	-	1,000
Community Initiatives South West Ltd	-	250
Compton Care Group Ltd	3,000	1,000
Computeraid International	500	-
Concern Worldwide	-	1,000
Connect (Help on you Doorstep)	-	750
COPE CHILDREN'S TRUST	3,000	-
Coram Beanstalk (Volunteer Reading Help)	-	1,000

The Grace Trust

Notes to the financial statements For the year ended 31 December 2020

Coram Life Education	1,000	-
Hillingdon		
Cornerstone (North East)	1,000	-
Adoption & Fostering Service		
Cornwall Air Ambulance Trust	6,000	-
Cornwall Hospice Care Ltd	1,000	1,000
Country Holidays for Inner City kids	750	-
Crackerjacks Childrens Trust	500	1,750
Creating New Beginnings	1,000	-
Criminon UK	1,000	-
Crisis Centre Ministries	-	500
Crisis UK	5,000	-
Crohns and Colitis UK	2,000	-
Crossroads Sir Gar Ltd	-	500
Crossways Community	1,000	-
Cued Speech UK Limited	-	250
Cure EB	-	500
Cure International (UK)	750	-
Cystic Fibrosis Trust	-	1,500
Cystic Fybrosis	-	750
Dame Kelly Holmes Trust	-	250
Daventry Contact	500	-
David Livingstone International Ltd	500	600
Deafblind Scotland	1,250	500
Deafblind UK	1,500	1,000
Deafway	750	-
Debra	1,000	-
Demand	500	-
Dementia Forward	-	500
Diabetes UK	-	1,000
Dignity (Worldwide)	-	250
Disability Law Service	750	-
DISASTERS EMERGENCY COMMITTEE	6,000	-
Diverse Abilities Plus	1,000	-
Dolphin Society	750	-
Dorset and Somerset Air Ambulance Charity	3,000	-
Dorset Race Equality Council	750	-
Douglas Macmillan Hospice	-	500
Downs Syndrome Research Foundation	500	-
Drama Expressions for Children	750	-
Earl Haig Fund (Scotland)	1,000	-
EAST AFRICAN PLAYGROUNDS	1,000	-
Edinburgh Direct Aid	500	750
Edinburgh Headway Group	-	250

The Grace Trust

Notes to the financial statements For the year ended 31 December 2020

EducAid	-	-
Education for the Children Foundation	-	750
Ehlers-Danlos Support UK	750	-
EMERGE 3RS	1,500	-
Emmanuel International Ltd	750	-
EMMANUEL SCHOOL (DERBY) LIMITED	1,000	-
Epilepsy Action	1,500	-
ESSEX & HERTS AIR AMBULANCE TRUST	4,000	-
Exmouth Search and Rescue Team	-	750
Experiential Christian Ministries	-	500
Ezer Layeled Ltd	750	500
FABLE	-	750
Fairfield Farm Trust	750	-
Faithworks Wessex	-	500
Families United Networks	-	750
Family Action	-	4,000
Fareshare	2,000	-
Fatima Women's Association	1,000	-
Feeding Bristol	500	-
Firefighters Charity	2,000	1,000
Fitzroy Support	750	-
Five Talents UK Ltd	1,000	-
Foundation for Conductive Education	1,000	-
Friends of the Holy Lands	-	2,500
Frimley Health Charity	750	-
GL11 Community Project	-	750
Global Care	-	500
Global Charities	-	500
Good Morning Project	750	-
Grandparents Plus	2,000	-
Great Ormand Street Childrens Hospital	-	2,040
Great Western Air Ambulance Charity	1,500	-
Great Western Air Ambulance Charitys	-	5,000
Greenfingers	-	300
Greenwich & Bexley Community Hospice	1,000	-
Growing Hope	750	-
Gynaecology Cancer Research Fund	5,000	-
Haggai Advanced Leadership Training Ltd	-	750
Hammersley Homes Limited	500	-

The Grace Trust

Notes to the financial statements For the year ended 31 December 2020

HANDICAP INTERNATIONAL UK	2,000	-
HANDICAPPED CHILDRENS ACTION GROUP	1,500	-
Haslingfield Community Warden Scheme	-	250
Headway - The Brain Injury Association	1,500	-
Headway West London	1,000	-
Health Care 4 All International	1,000	-
Hearing Dogs for Deaf People	-	500
Heart Research UK	-	750
Help Counselling	-	250
Help for Heroes	-	1,000
Home for Good	1,250	-
Hope at Home	1,000	-
Hope For Justice	1,500	-
Hope for Kidz	-	500
Hope for Tomorrow	-	500
Hospice At Home West Cumbria	2,000	-
Hot Line Meals Service (London)	-	3,500
Hour Community	-	250
Hourglass	1,000	-
Hoveraid Trust	750	-
Huntingdons Disease Association	2,000	-
IAH CHARITY COMPANY	1,000	-
Ilandoverly Youth and Community Centre	-	750
Impact Foundation	1,000	-
Impact Schools	-	750
inHope (Bristol) Limited	1,000	-
Inter Care	1,000	-
Interact Stroke Support	750	-
International Care Network	500	-
International Children's Palliative Care Network	1,000	-
International Egg Foundation	-	250
International Health Partners (UK)	2,000	-
International Justice Mission	-	1,000
International Nepal Fellowship	1,000	-
International Rescue Committee, UK	3,000	-
International Spinal Research Trust	1,000	1,000
Islington Foodbank	-	500
Islington People's Rights	-	1,000
Jairah Funds	750	-
Julia's House Limited	-	1,000

The Grace Trust

Notes to the financial statements For the year ended 31 December 2020

Junction 12	1,000	-
Just 4 Children	2,000	-
Just Finance Foundation	1,000	-
Just for Kids Law Limited	1,250	-
Katie Piper Foundation	1,500	-
Kidney Care UK	1,500	-
KIDS CLUB KAMPALA	1,000	-
Kids n Action	1,000	750
Kindred Advocacy	500	-
Kings Arms Project	1,250	-
Kings Church Newport (Jesus Cares)	-	1,000
Kirkwood Hospice	-	1,000
L'Arche	1,000	-
LEAP CONFRONTING CONFLICT	1,500	-
Leeds Cares	2,000	-
Legatum Institute Foundation	-	1,000
Legs 4 Africa	1,000	-
Lennox Children's Cancer Fund	1,000	-
Lennox Children's Cancer Funds	-	1,000
Lepra	1,500	-
Life Education Centres Bristol	1,500	-
Lifelites	2,000	-
Lifeworks	1,000	-
LILIAN FAITHFULL CARE	3,000	1,000
Lincolnshire and Nottinghamshire Air Ambulance	2,500	-
Little Hearts Matters	-	750
Little Village	1,500	-
Lomond Mountain Rescue Team	500	-
London Ambulance Service	2,000	-
LOROS	2,500	-
Lotus Flower Trust	-	500
Loughborough Junction Action Group (Grove Adventure Playground)	750	-
Lucy Air Ambulance For Children	2,500	-
Lupus UK	-	750
Macmillan Cancer Support	5,000	-
Maggs Day Centre	1,500	-
Magpas	3,000	-
Maidenhead Foodshare	-	500
Map Action	-	1,500
Marah Trust	1,500	-
Marie Curie	5,000	-

The Grace Trust

Notes to the financial statements For the year ended 31 December 2020

Mary Ann Evans Hospice	1,000	-
MEATH EPILEPSY CHARITY	2,000	-
Medair	1,000	-
MEDECINS SANS FRONTIERES (UK)	3,000	-
Medical Research Foundation	1,000	-
Megan Baker House Ltd	1,000	-
Micah Liverpool	1,500	-
MIDLANDS AIR AMBULANCE CHARITY	3,000	-
Milton Keynes Bridgebuilder Trust	1,000	-
MIND (national association for mental health)	5,000	-
Mind Body Eds	500	-
Mission India	750	-
Mission Rabies Limited	-	750
Mitchell's Miracles	500	-
Mothers2Mothers	1,250	-
Motor Neurone Disease Association	5,500	-
Muir Maxwell Trust Limited	-	250
Multi Agency International Training & Support	1,500	-
Muscular Dystrophy Group UK	1,500	-
NAF Fond DK	305,000	1,690,629
NAF USA	195,608	-
NARS	1,500	-
National Association for the Welfare of Children in Hospital Limited	-	300
National Autistic Society	1,000	-
National Deaf Childrens Society	-	-
National Eye Research Centre	1,000	-
Navigate	1,000	-
NEUROBLASTOMA UK	1,000	-
Newlife	2,000	-
NICE	-	1,000
NMC Midlands	500	-
No Panic	-	200
Norfolk Coalition of Disabled People	1,000	-
NORMANDY COMMUNITY THERAPY GARDEN	750	-
North Bedfordshire Hospice Care Limited	1,000	-
North London Action for the Homeless	1,000	1,000
North London Hospice	1,000	750
Northwick Park Institute	750	-

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Notes to the financial statements For the year ended 31 December 2020

Norwood and Brixton Foodbank Limited	1,000	-
NRAS	-	1,000
NSPCC	-	5,000
One King Ministries (Silver Links)	-	500
One North East London	1,000	-
OPA	1,000	-
Open Doors	3,000	-
Operation Smile	2,000	1,000
Orbis Charitable Trust	2,000	750
Ovarian Cancer Action	1,000	-
Overgate Hospice	2,000	-
Oxfam - Rohingya Crisis Appeal	5,000	-
Oxfordshire My Life My Choice Association	1,000	-
Pancreatic Cancer UK	-	750
Parents in Need	-	1,000
Parkinson's UK	-	1,000
Passage 2000	2,000	-
PC David Rathband's Blue Lamp Foundation	750	-
Peace Child International	500	-
Pear Tree Special School	1,500	-
PHAB	-	500
PHOEBE	500	-
Pioneers UK Ministries	1,000	-
Place2Be	2,000	1,000
Playschule	750	-
POLICE CARE UK	2,000	-
Poole Hospital NHS Foundation Trust	750	-
POTS UK	500	-
Practical Action	1,500	-
Practical Tools Initiative Limited	1,000	-
Pregnancy Crisis Care	750	-
Princess Alice Hospice	-	500
Prodigal Arts	-	500
PROGRESSABILITY.ORG	1,000	-
Prostate Cancer Research Centre	-	1,000
Pump Aid	1,250	100
PUMPING MARVELLOUS FOUNDATION	750	-
Rainbow Childrens Charity	750	-
Rainbow Trust Children's Charity	2,000	-
Rainham Foodbank	-	500
Rapid Relief Team	640,000	804,249

The Grace Trust

Notes to the financial statements For the year ended 31 December 2020

React	1,000	-
Red Balloon Learner Centre Group	-	1,000
Relate	-	300
Rennie Grove Hospice Care	-	1,160
Response	-	750
Response Organisation	3,000	-
Restore	-	250
RETINA UK	1,250	-
Ringwood & District Community Association	750	-
RNLI	-	250
Road Victims Trust	500	-
Room to Read UK Ltd	2,000	1,000
Rosa Foundation	500	-
Round Table Children's Wish	750	-
Rowcroft House Foundation Limited	3,000	-
Roy Castle Lung Cancer Foundation	1,500	1,000
Royal British Legion	-	1,000
Royal Hospital for Neuro-disability	-	750
Royal Trinity Hospice	1,000	-
Ruby's Fund	1,000	-
Safe Families for Children	2,000	1,000
Sailors' Society	-	1,000
Samaritan's Purse International Limited	3,000	1,000
SANE	2,000	-
Save the Children	5,000	7,500
Scholarship for Street Kids	-	250
SCHOOL - HOME SUPPORT SERVICE (UK)	2,000	-
Scope	-	750
SCORE	2,000	-
Scotland's Charity Air Ambulance	4,000	-
Scottish Fire and Rescue	1,000	-
Service Family Support Trust	-	-
Scripture Union	3,000	-
Seashell Trust	3,000	-
Sebastians Action Trust	1,250	500
SEEKENYA	1,000	-
Sefton Opera	-	250
Sense International	1,000	1,000
Serve Afghanistan	1,000	-
Serving in Mission	-	500
Shelter Community	-	500
Shelter from the Storm	-	250
Shelterbox Trust	-	1,500

The Grace Trust

Notes to the financial statements For the year ended 31 December 2020

SHINE	1,000	-
Shrine Trust	-	1,500
Sightsavers International	5,000	3,000
Signpost International	1,500	-
Sixty One	1,500	-
Skeletal Cancer Action Trust	-	350
SNAPS	-	600
Snowflake School for Children with Autism Limited	-	1,000
Society for Promoting Christian Knowledge	-	1,000
SOS Childrens' Villages UK	-	1,000
South East Cancer Help Centre	2,000	-
South Lakeland Hydrotherapy Trust Ltd	-	250
South Liverpool Foodbank	1,000	-
South Yorkshire Community Foundation Ltd	2,000	-
Spadework Limited	-	1,000
Spear Brighton Trust	1,000	250
Spinal Injuries Association	1,500	-
Sporting Marvels Ltd	750	-
St Andrews Healthcare	-	1,000
St Clare West Essex Hospice Care	1,000	-
St Cuthmans Whitehawk	-	750
St Elizabeth Hospice	1,000	-
St Gemma's Hospice	1,000	-
St George's Hospital Charity	1,500	-
ST GILES TRUST	3,000	-
St John Ambulance	5,000	2,000
St Margaret's Somerset Hospice	-	1,000
St Mary's Hospice Limited	2,000	-
St Michaels Hospice	2,000	-
St Wilfrid's Hospice (Eastbourne)	1,000	-
Stand By Me	1,250	-
Starlight Childrens Foundation	3,000	2,500
Start Network	1,000	-
STEM INCLUSION FOUNDATION	1,000	-
Strawberry Hill Overseas and Community Concern (St Marys University)	-	500
Street Child	-	2,500
Stroke Association	5,000	-
STROUD BERESFORD LIMITED	500	-
Stubs Ltd	750	-
Sufra - NW London	1,000	-

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Notes to the financial statements For the year ended 31 December 2020

SULLIVAN'S HEROES	1,000	-
Sunny Days Childrens Fund	-	1,000
Tailblazers Mentoring	1,000	-
Tastelife UK	500	-
TB ALERT	750	-
Teach a Man to Fish UK Ltd	-	750
Teapot Trust	1,000	-
Tearfund	3,000	-
Teenage Cancer Trust	3,000	-
Terre Des Hommes	750	-
The Abbeyfield Research Foundation	750	-
THE AIR AMBULANCE SERVICE	3,000	-
THE AMAR INTERNATIONAL CHARITABLE FOUNDATION	1,500	-
The Amber Foundation	1,000	-
THE AMBULANCE STAFF CHARITY	3,000	-
The Asian Students Christian Trust	-	250
THE AUDITORY VERBAL CENTRE	1,250	-
The Baptist Missionary Society	-	1,000
The Bede Foodbank	1,000	-
The Bible Network	1,500	-
The Brain Tumour Charity	1,000	-
The Bristol Children's Help Society	-	250
THE BRITISH DIABETIC ASSOCIATION	6,000	-
The Care Workers Charity	3,000	-
The Chartwell Cancer Trust	-	500
The Childhood Trust	1,250	-
The Childrens' Trust	-	1,000
The Epiphany Trust	500	-
The Freedom Fund UK	3,000	-
The Garage Art Group	750	-
The Gifted	-	500
The Great North Air Ambulance Service	3,000	-
The Haemochromatosis Society	-	500
The Hands Up Foundation	-	750
The Harbour	1,500	-
THE HYDRATION FOUNDATION	1,000	-
The Hygiene Bank	750	-
The Jessie May Trust	2,000	500
The Katherine Low Settlement Limited	-	1,000
THE KIANH FOUNDATION	1,000	-

The Grace Trust

Notes to the financial statements For the year ended 31 December 2020

The Leukaemia Care Support	-	1,000
THE LIN BERWICK TRUST	500	-
The Lincolnshire and Nottinghamshire Air Ambulance Charitable Trust	3,000	-
THE LINDSAY LEG CLUB FOUNDATION	750	-
The Link Foundation	-	1,000
The London City Mission	2,000	-
The Lullaby Trust	-	1,750
The Luton and Dunstable Hospital Charitable Fund	-	1,500
The Margins Project	-	1,000
The Mary Stevens Hospice	-	1,000
The Matthew Project	-	750
The Measham Family Christian Foundation	1,000	-
The Message Trust	3,000	-
The Metropolitan and City Police Orphans Fund	1,250	-
The Movement Centre	1,000	-
The Muscular Disease Society	1,000	-
The Music Works	-	250
The Nehemiah Project	2,000	-
The Norfolk Accident Rescue Service	-	500
The Norfolk Hospice	1,500	750
The North London Foodbank	-	500
The Nucleo Project	-	250
The Oakhaven Trust	1,000	-
The Oesophageal Patients Association	-	500
The Olive Branch (Faith In Action)	1,000	-
The Open Door	750	-
The Papworth Trust	1,500	-
THE PETER PAN CENTRE	1,000	-
THE PORCH	1,000	-
The Prince & Princess of Wales Hospice	2,000	-
The Rainbow Centre	-	1,158
The Rowdown Inspire to Aspire Foundation	1,500	-
The Royal British Legion	3,000	-
The Royal National College for the Blind	-	750
The Royal National Institute of Blind People	3,000	-
The Royal National Orthopaedic Hospital	1,500	-
The Samaritans	5,000	2,000

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Notes to the financial statements For the year ended 31 December 2020

The Separated Child Foundation	-	250
The Shakespeare Hospice	1,000	
The Silver Line Helpline	1,500	
The Silver Line Helplines	-	1,000
The Simon Community	500	-
The Single Homeless Project (SHP)	-	1,000
The Sofa Project	1,000	-
The Spark (Scottish Marriage Care)	1,250	-
The Sunshine Centre	1,500	-
The Sussex Beacon	1,250	-
THE THOMLEY HALL CENTRE LIMITED	1,000	-
The Trussell Trust	3,000	-
The Tuberous Sclerosis Association	-	750
The Virtual Doctors	2,000	-
The Woodland Centre Trust	750	-
THIS IS GROWTH LTD	1,000	-
Thomas Morley Trust	750	-
Thomas Pocklington Trust	1,000	-
Time and Talents Association	500	-
Tiny Tim's Children's Centre	1,000	600
Totnes	1,000	-
Tree of Hope	1,250	1,000
Treloar Trust	-	1,000
Twenty Twenty	-	1,800
Twins Trust Ltd	750	-
Tyndale House	1,250	-
UK Committee for Unicef	5,000	-
UK Youths	-	1,000
Ulverston Inshore Rescue	500	-
UNICEF	-	1,500
United Kingdom for UNHCR	1,500	-
United Kingdom Sepsis Trust Limited	-	1,000
Unity of Children	-	250
Up 'N' Away	-	250
Versus Arthritis	-	1,000
Village Aid	750	-
VISION WEST OF ENGLAND	750	-
Volunteer Link Up	750	-
Wakefield Hospice	1,500	-
Walk Ministries	1,250	-
Walkabout Foundation	-	1,000
Warwickshire Vision Support	-	1,000
Warwickshire Young Carers	750	500
Wellchild	1,500	1,000

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Notes to the financial statements For the year ended 31 December 2020

Welsh Air Ambulance	-	10,000
Willow Burn Hospice	-	750
Wiltshire Air Ambulance	2,500	5,597
Wings for Warriors	-	250
Winston's Wish (A Grief Support Programme for Children)	1,500	-
Women's Air Federation of England	-	750
World Cancer Research Fund	3,000	1,000
World Child Cancer UK	1,500	-
World Child Cancers	-	1,000
World Medical Fund	500	250
Worldshare	1,500	-
XLP	-	1,000
Young and Free	-	250
Young Carers Development Trust	-	500
Young Enterprise	2,000	-
YWCA England & Wales	750	-
Grants withdrawn / cheques returned from grantee	-	(7,000)
Total grants	30,793,645	32,422,642
Other costs (note 4.1)	627,916	482,075
Total	31,421,561	32,904,717

All grants were paid to charitable institutions.

4.1 Other costs allocated to charitable activities

	31 December 2020 £	<i>31 December 2019 £</i>
Governance costs		
Audit fees and fees for other services	18,000	16,410
Professional fees	92,741	279,148
Support costs		
Administration and other costs	17,616	18,605
Foreign currency movement	(50,976)	67,922
Impairment of investments	500,000	-
Amortisation of goodwill	50,535	99,990
	627,916	482,075

Trustees received no remuneration nor were they reimbursed for any out-of-pocket expenses in either 2020 or 2019.

The charity had no employees during either accounting period.

The Grace Trust

Notes to the financial statements For the year ended 31 December 2020

5. Net income

	31 December 2020 £	31 December 2019 £
This is stated after charging/(crediting):		
Depreciation – owned assets	309,696	297,841
Depreciation – leased	2,421	2,330
Amortisation	94,082	103,604
Loss on disposal	11,623	12,459
Operating leases – land and building	320,871	281,345
Operating leases – other	1,274,289	1,235,640
Loss/(profit) on Foreign exchange	238,893	(2,299)
Auditor's remuneration		
- Charity – audit	10,800	10,500
- Charity – other services	7,200	3,175
- Subsidiaries – audit	25,400	25,650
- Subsidiaries – other	2,100	2,000

Notes to the financial statements
For the year ended 31 December 2020

6. Intangible assets

6.1 Goodwill

	UBT (EU) Limited £	NOA Limited £	Milburn Insurance Brokers £	UBT Accountants Ltd £	Total £
Cost					
<i>At 1 January 2020</i>	999,900	12,634	-	49,674	1,062,208
Additions	-	-	1,779,000	-	1,779,000
At 31 December 2020	999,900	12,634	1,779,000	49,674	2,841,208
Amortisation					
<i>At 1 January 2020</i>	949,365	12,634	-	33,413	995,412
Charge for the year	50,535	-	35,983	7,564	94,082
At 31 December 2020	999,900	12,634	35,983	40,977	1,089,494
Net book value					
At 31 December 2020	-	-	1,743,017	8,697	1,751,714
<i>At 31 December 2019</i>	50,535	-	-	16,261	66,796

NOA (UK) Limited was acquired on 24 June 2007 for nil consideration. Goodwill of £12,634 represented the net liabilities of NOA (UK) Limited at that date.

UBT (EU) Limited was acquired on 31 March 2010 for £1,000,000. Goodwill of £999,900 represents the excess of the purchase consideration over fair value of net assets as at 31 March 2010.

The only direct subsidiary of Grace Trust is The Grace Trading Group Ltd, a holding company with share capital of £202 and reserves of £nil.

The Trust acquired 100% of the share capital of UBT Accountants Limited on 9 November 2012 by way of a gift. These shares were subsequently disposed of to a subsidiary, The Grace Trading Group Ltd for the consideration of 2 ordinary shares of £1 each in The Grace Trading Group Ltd. The Grace Trust Trading Group Ltd disposed of these shares to UBT (EU) Limited on 27 December 2012 for the consideration of 2 ordinary shares of £1 each in UBT (EU) Limited.

In 2014 UBT Accountants Limited acquired the trade of the accountancy practice Chrisbook Care and a division of the accountancy practice of T B Tax Services for £105,180 and £74,552 respectively. During previous years a proportion of the goodwill was disposed of in a restructure of the business.

The Grace Trust

Notes to the financial statements For the year ended 31 December 2020

6.1 Goodwill (continued)

On 1 November 2020 the trade and certain assets of Milburn Insurance Brokers (a division of Towergate Underwriting Group) was acquired for £1,779,000.

6.2 Deed of trust

The members have declared trusts over the shares in NOA (UK) Limited and UBT (EU) Limited whereby the income (and capital where deemed appropriate) shall be applied for the advancement of the education of children and young people from ages 5 to 18 or for any other charitable purpose.

7. Tangible fixed assets

Group only

	Leasehold Improvements	Furniture, fixtures & equipment	Total
	£	£	£
Cost			
<i>Brought forward at 1 January 2020</i>	1,282,468	1,471,247	2,753,715
Additions	252,392	227,575	479,967
Disposals	-	(154,416)	(154,416)
At 31 December 2020	1,534,860	1,544,406	3,079,266
Depreciation			
<i>Brought forward at 1 January 2020</i>	332,765	1,197,791	1,530,556
Charge for the year	118,606	193,512	312,118
Disposals	-	(140,544)	(140,544)
At 31 December 2020	451,371	1,250,759	1,702,130
Net book value at 31 December 2020	1,083,489	293,647	1,377,136
<i>Net book value at 31 December 2019</i>	<i>949,703</i>	<i>273,456</i>	<i>1,223,159</i>

8. Investments

The Grace Trust holds 100% of the issued share capital of The Grace Trading Group Ltd. The cost of investments in subsidiary undertakings refers to the original cost of the investment in UBT (EU) Limited and NOA (UK) Limited which were subsequently transferred to The Grace Trading Group Ltd in return for shares in that company.

	£
Investment in subsidiary undertakings, at cost:	
<i>At 1 January 2020</i>	<i>1,000,198</i>
At 31 December 2020	1,000,198

In addition, at 31 December 2019 The Grace Trust invested £6,500,000 in Vision Global Growth Fund which is an unlisted investment. At 31 December 2020, an impairment of £500,000 was recognised, resulting in a year-end value of £6,000,000.

The remaining investment balance of £1,416,140 (2019: £1,281,553), is money on deposit.

Notes to the financial statements
For the year ended 31 December 2020

9. Stocks

	31 Dec 2020 £	31 Dec 2019 £
Group		
Trading stock held by subsidiaries	881,014	2,311,860

Stocks are stated after provision for impairment of £11,275 (2019: £80,557).

10. Debtors

	31 Dec 2020 £	31 Dec 2019 £
Amounts due within one year – Group		
Trade debtors	14,196,417	8,760,104
Other debtors	483,153	268,258
Insurance premiums receivable	1,054,205	-
Prepayments and accrued income	4,109,570	1,557,629
	19,843,345	10,585,991

Group trade debtors are stated after provision for impairment of £61,899 (2019: £54,803).

Amounts due within one year – Charity

Due from trading subsidiaries – Gift Aid	19,871,910	11,303,301
Other debtors	264,445	215,740
	20,136,355	11,519,041

11. Creditors: amounts falling due within one year

	31 Dec 2020 £	31 Dec 2019 £
Group		
Bank loans	155,066	152,695
Trade creditors	2,735,871	5,233,239
Other taxes and social security	2,579,982	1,436,435
Other creditors	1,692,686	138,679
Accruals and deferred income	9,761,458	4,795,934
	16,925,063	11,756,982
Charity		
Trade creditors	7,891	3,251
Accruals	20,934	69,068
	28,825	72,319

Deferred income of £3,794,411 represents UBT (EU) Limited and UBT Accountants Ltd's funds received for services to be provided during the next accounting period. Income in the year ended 31 December 2020 amounted to £3,794,411 and the amounts released from prior periods totalled £2,718,278.

Notes to the financial statements
For the year ended 31 December 2020

12. Staff costs – trading subsidiaries

The charity did not employ any staff during either accounting period. The following disclosure relates to the trading subsidiaries only:

The average number of employees (including directors) in the year was:

	31 Dec 2020 No.	<i>31 Dec 2019 No.</i>
Trading subsidiaries	163	<i>159</i>

Employment costs included in the trading subsidiaries results:

	31 Dec 2020 £	<i>31 Dec 2019 £</i>
Wages and salaries	7,496,187	<i>6,883,426</i>
Social security	788,549	<i>819,127</i>
Pension contributions	252,181	<i>203,684</i>
Redundancy and settlement costs	8,718	<i>71,528</i>
	8,545,635	<i>7,977,765</i>

The subsidiary companies operate defined contributions pension schemes. The assets of the scheme are held separately from those companies in independently administered funds.

The pension charge represents contributions payable by the companies to the fund and amounted to £252,181 (2019: £203,684). Contributions outstanding at the year-end amounted to £28,758 (2019: £26,393).

During the 2020 financial year the subsidiary companies had the following higher paid employees: £60k - £70k 10 employees, £70k - £80k 6 employees, £80k to £90k 15 employees, £90k - £100k 9 employees, £110k - £120k 2 employees, £120k to £130k 2 employees, £130k to £140k 1 employee, £140k to £150k 1 employee.

During the 2019 financial year the subsidiary companies had the following higher paid employees: £60k - £70k 8 employees, £70k - £80k 6 employees, £80k to £90k 15 employees, £90k - £100k 7 employees, £100k - £110k 3 employees, £110k - £120k 3 employees, £120k to £130k 1 employee, £140k to £150k 1 employee.

The Grace Trust

Notes to the financial statements
For the year ended 31 December 2020

13. Funds - Group

	<i>Brought forward at 1 January 2020</i>	Income	Expenditure	Other gains	Transfers	Carried forward at 31 December 2020
Unrestricted funds	<u>21,534,305</u>	<u>123,440,855</u>	<u>(104,060,769)</u>	<u>2,582,123</u>	<u>-</u>	<u>43,496,514</u>
Restricted funds	<u>1,848,290</u>	<u>3,876,894</u>	<u>(2,563,669)</u>	<u>-</u>	<u>-</u>	<u>3,161,515</u>
Expendable endowment funds	<u>7,781,554</u>	<u>134,586</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>7,416,140</u>
Total Funds	<u>31,164,149</u>	<u>127,452,335</u>	<u>(107,124,438)</u>	<u>2,582,123</u>	<u>-</u>	<u>54,074,169</u>

14. Funds – Charity

	<i>Brought forward at 1 January 2020</i>	Income	Expenditure	Transfers	Carried forward at 31 December 2020
Unrestricted funds	<u>22,859,223</u>	<u>50,003,126</u>	<u>(28,307,357)</u>	<u>-</u>	<u>44,554,992</u>
Restricted funds	<u>1,848,290</u>	<u>3,876,894</u>	<u>(2,563,669)</u>	<u>-</u>	<u>3,161,515</u>
Expendable endowment funds	<u>7,781,554</u>	<u>134,586</u>	<u>(500,000)</u>	<u>-</u>	<u>7,416,140</u>
Total Funds	<u>32,489,067</u>	<u>54,014,606</u>	<u>(31,371,026)</u>	<u>-</u>	<u>55,132,647</u>

The Grace Trust

Notes to the financial statements For the year ended 31 December 2020

14. Funds – Charity (continued)

Vision Foundation – this expendable endowment fund represents funds which have arisen from a fundraising drive by the charity. These are ring-fenced funds which will be invested to create further fundraising returns in the future. At present the investment policy is being considered by the Trustees and will be agreed in due course.

Restricted funds - the fund is for specific capital projects at the FLT family of schools.

15. Commitments under operating leases – Group only

At 31 December 2020 the group had non-cancellable total commitments under operating leases expiring as follows:

	Land and buildings		Other	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	£	£	£	£
Expiring within 1 year	165,262	153,740	2,220,225	510,623
1-5 years	630,000	511,600	362,903	410,192
Over 5 years	388,958	372,458	-	-
	1,184,220	1,037,798	2,583,128	920,815

16. Related Party Transactions

Transactions between the group entities have been disclosed within Note 3.

There are no other related party transactions.

Notes to the financial statements
For the year ended 31 December 2020

17. Discontinued Operations – Personal Protective Equipment

In April 2020 UBT (EU) Limited started to engage in the trade of buying and selling personal protective equipment (PPE). This involved primarily the sales of protective face masks, medical visors and sanitiser stands. It proved to be a profitable venture and the full results are highlighted in the table below. The sales activity began on 16th April 2020. On 18th June 2020 the company agreed to sell, with full title, the PPE business activities to CoShield Global Ltd (company registration number: 11913136). As part of the sale agreement CoShield Global Ltd entered a separate rebate agreement with UBT (EU) Ltd to pay the company a commission equating to 30% of Net Profit on the PPE sales achieved by CoShield Global Ltd for 12 months directly after the agreement date. The total commission accruing to the company in 2020 amounted to £2,582,123 and is indicated below in the profit on disposal of trade.

<u>Personal protective equipment trading activity</u>	2020
	£
Turnover	28,800,180
Cost of Sales	(25,685,421)
Gross profit	<u>3,114,759</u>
Administration expenses	(173,739)
Operating profit for year	<u><u>2,941,020</u></u>

The proceeds from the sale and assets sold were as follows:

	2020
	£
Cash proceeds	5,807,809
Assets sold:	
Intangibles	3
Stock	1,819,008
Purchase order contracts	<u>1,406,675</u>
	<u>3,225,686</u>
Profit on disposal of trade	<u><u>2,582,123</u></u>

The Grace Trust

Notes to the financial statements For the year ended 31 December 2020

18. Net Assets – Group

	Unrestricted funds 2020 £	Restricted Funds 2020 £	Endowment funds 2020 £	Total Funds 2020 £
Fixed assets	3,128,850	-	7,416,140	10,544,990
Current assets	57,292,727	3,161,515	-	60,454,242
Creditors due within one year	(16,925,063)	-	-	(16,925,063)
	<u>43,496,514</u>	<u>3,161,515</u>	<u>7,416,140</u>	<u>54,074,169</u>
	Unrestricted funds 2019 £	Restricted Funds 2019 £	Endowment funds 2019 £	Total Funds 2019 £
Fixed assets	1,289,954	-	7,781,554	9,071,508
Current assets	32,001,333	1,848,290	-	33,849,623
Creditors due within one year	(11,756,982)	-	-	(11,756,982)
	<u>21,534,305</u>	<u>1,848,290</u>	<u>7,781,554</u>	<u>31,164,149</u>

19. Guarantees

An irrevocable Documentary Credit in the sum of £200,000 has been issued in UBT (EU) Ltd's favour by Barclays Bank Plc in respect of one of the company's suppliers of vouchers.

In the event that this supplier's vouchers fail to be honoured by retailers, this Documentary Credit would be invoked.

UBT (EU) Limited has given an unlimited guarantee to Bank of Scotland plc in respect of the banking liabilities of Insignia Enterprises (Europe) Limited. At 31 December 2020 Insignia Enterprises (Europe) Limited had a balance of £Nil (2019: £Nil).

20. Post balance sheet event

UBT (EU) Limited applied to The Grace Trust for a loan of £7.5m after the year-end on a short-term basis, which was repaid in September 2021, to use as short term working capital for a UBT project.

21. Comparative Consolidated Statement of Financial Activities

	Notes	Unrestricted Funds 31 December 2019 £	Restricted Funds 31 December 2019 £	Endowment Funds 31 December 2019 £	Total Funds Year Ended 31 December 2019 £
Income from:					
Donations		21,103,393	3,606,434	34,007	24,743,834
Other trading activities	3	77,845,966	-	-	77,845,966
Investments	2	<u>104,233</u>	<u>-</u>	<u>-</u>	<u>104,233</u>
Total		<u>99,053,592</u>	<u>3,606,434</u>	<u>34,007</u>	<u>102,694,033</u>
Expenditure on:					
Raising funds	3	64,026,284	-	-	64,026,284
Charitable activities	4	<u>31,019,579</u>	<u>1,885,138</u>	<u>-</u>	<u>32,904,717</u>
Total		<u>95,045,863</u>	<u>1,885,138</u>	<u>-</u>	<u>96,931,001</u>
		<u>4,007,729</u>	<u>1,721,296</u>	<u>34,007</u>	<u>5,763,032</u>
Net income					
Transfers between funds	13	<u>(1,109,137)</u>	<u>-</u>	<u>1,109,137</u>	<u>-</u>
Net movement in funds		<u>2,898,592</u>	<u>1,721,296</u>	<u>1,143,144</u>	<u>5,763,032</u>
Reconciliation of funds					
Balance brought forward at 1 January	13	<u>18,635,713</u>	<u>126,994</u>	<u>6,638,410</u>	<u>25,401,117</u>
Balance carried forward at 31 December	13	<u>21,534,305</u>	<u>1,848,290</u>	<u>7,781,554</u>	<u>31,164,149</u>