

GRACE CHARITIES TRUST
Administered by
Grace Baptist Charities Limited

FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31 DECEMBER 2019

Charity number: 1171468

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REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2019

The Trustees have pleasure in submitting their report and the audited financial statements for the Grace Charities Trust for the year ended 31st December 2019. They have been prepared in the format prescribed by the Statement of Recommended Practice (FRS 102), 'Accounting and Reporting by Charities' issued by the Charity Commissioners.

Objectives and Activities

The objects of the charity are to receive and administer donations and to reclaim income tax from HMRC in accordance with the HMRC Gift Aid scheme and to distribute these donations and reclaimed income tax among such charities and for such charitable purposes wholly or mainly concerned with the advancement of religion.

The Trustee's policy is to receive donations either directly from individuals or through local churches and remit both gifts and tax recovered to the donors' nominated charities subject to these being within the scope of the charity's objectives and at the discretion of the trustee. Consequently all funds of the charity are restricted.

Grant making policy

The charity makes grants to the Christian charities nominated by the donors.

Public benefit

The directors of the trustee confirm that they have had due regard to the guidance issued by the Charity Commission on public benefit. In particular, donations and income tax distributed are for charitable purposes wholly or mainly concerned with the advancement of religion. Some of the Christian organisations receiving funds through the charity are also involved in the relief of poverty, the advancement of health and the saving of lives.

Achievements and Performance

During 2019, 38 charities used the Gift Aid scheme administered by the Trust and £131,358 (£128,216 in 2018) was recovered in tax for distribution with the original donations. Gift Aid claims are generally made quarterly or upon receipt of the appropriate information from charities.

A total of £687,738 (£668,203 in 2018) was paid to beneficiaries out of donations received and tax recovered.

Financial Review

The Trust continued to process Gift Aid claims and distribute donations promptly. The balances held at the year-end include £1,822 of regular gifts for a church that chooses to receive a monthly donation from the Trust, £2,113 gifts received shortly before year end and not yet paid out and £12,461 of gifts received where the donors have not yet expressed their wishes.

The Trust Deed was revised and updated in 2019 to ensure it accurately reflects the current Gift Aid processes.

REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2019
(continued)

Structure, Governance and Management

The Trust was established by a Declaration of Trust dated 6th June 1978. The trustee is Grace Baptist Charities

The Trustees have delegated the responsibility for the administration of donations, including recovery of tax, to the Finance Officer of the Association of Grace Baptist Churches (South East).

Risk Management

The Trustees have assessed the principal risks to which the charity is exposed, in particular those related to the operations and finance of the charity and are satisfied that procedures are in place to mitigate our exposure to the major risks. A risk register is maintained and reviewed.

Reference and Administrative Details

The charity was administered by the trustees, Grace Baptist Charities Limited, throughout the year.

The company's registered office is 7 Arlington Way, London, EC1R 1XA. The company registration number is

The directors of the company at the date of this report were:

A A Ottley (Chairman); C J Clarkson (Treasurer); A Creedy; A Gardner (Finance Officer); A Hannan; J G Miller; D J Mortimer; Miss M O' Mara; P D Spear (Association Secretary); P M Woodley

The Company Secretary, who is employed by AGBC(SE), has delegated authority to authorise routine and planned maintenance for trust, Association and church properties within an annual budget. The budget is approved by the Board in November for the following year.

The principal advisers of the company are as follows:

Auditors:	Jacob Cavenagh & Skeet, 5 Robin Hood Lane, Sutton, Surrey SM1 2SW
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Principal Bankers	CAF Bank Limited, 25 Kingshill Avenue, Kingshill, West Malling, Kent ME19 4JQ
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REPORT OF THE TRUSTEES FOR THE
YEAR ENDED 31 DECEMBER 2019
(continued)

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.

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 charity's financial activities in the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, 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 UK Accounting Standards have been followed, subject to any material departures;
- and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FOR AND ON BEHALF OF THE TRUSTEES

7 Arlington Way
London
EC1R 1XA



C. J Clarkson
Director of
Grace Baptist Charities Limited
29th June 2020

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF
GRACE CHARITIES TRUST

Opinion

We have audited the financial statements of Grace Charities Trust (the "Charity") for the year ended 31 December 2019 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of 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 Charity's affairs as at 31 December 2019 and of its incoming resources and application of resources 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 Charity 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. 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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF
GRACE CHARITIES TRUST
(continued)

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, 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 they 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 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

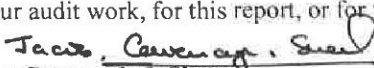
We have been appointed as auditor under section 145 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance 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.


Jacob Cavenagh & Skeet,
Statutory Auditor
Chartered Accountants

6 AUGUST 2020

5 Robin Hood Lane,
Sutton,
Surrey
SM1 2SW

Jacob Cavenagh & Skeet 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.

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

	<i>Note</i>	2019 Restricted Funds £	2018 Restricted Funds £
Income from:			
Donations			
Donations		566,526	541,000
Income tax recovered		131,358	128,216
		<u>697,884</u>	<u>669,216</u>
Investments		202	160
Total Income		<u>698,086</u>	<u>669,376</u>
Expenditure on:			
Charitable activities			
Paid to beneficiaries		687,738	668,203
Administration charges		7,191	6,309
Office and stationery		20	-
Bank charges		60	74
Auditors' fees		990	996
Total expenditure		<u>695,999</u>	<u>675,582</u>
Net income / (expenditure) and net movement in funds		2,087	(6,206)
Reconciliation of funds:			
Funds brought forward		14,309	20,515
Funds carried forward		<u>16,396</u>	<u>14,309</u>

All recognised gains and losses are reflected through the Statement of Financial Activities and all activities were continuing.

BALANCE SHEET
AT 31ST DECEMBER 2019

	<i>Note</i>	2019 £	2018 £
Current assets:			
Cash deposited with Grace Baptist Charities Ltd		17,356	15,209
Liabilities			
Creditors: Amounts falling due within one year		(960)	(900)
Total net assets		<u>16,396</u>	<u>14,309</u>
The funds of the charity:			
Restricted funds		<u>16,396</u>	<u>14,309</u>

Approved by the Trustee on 29th June 2020 and signed on their behalf by:


C. J. Clarkson
Director of
Grace Baptist Charities Limited

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

		<i>2019</i>	<i>2018</i>
		<i>Total Funds</i>	<i>Total Fund</i>
	Table	£	£
Statement of cash flows:			
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	<u>1,946</u>	<u>(6,270)</u>
Cash flows from investing activities:			
Interest		<u>201</u>	<u>160</u>
Net cash provided by (used in) investing activities		<u>201</u>	<u>160</u>
Change in cash and cash equivalents in the reporting period		2,147	(6,110)
Cash and cash equivalents at the beginning of the reporting period		<u>15,209</u>	<u>21,319</u>
Cash and cash equivalents at the end of the reporting period	B	<u>17,356</u>	<u>15,209</u>

Table A - Reconciliation of net income / (expenditure) to net cash flow from operating activities:

	<i>2019</i>	<i>2018</i>
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	2,087	(6,206)
(Gains) / losses on investments	-	-
Dividends, interest and rent from investments	(201)	(160)
Increase in creditors	<u>60</u>	<u>96</u>
Net cash provided by (used in) operating activities	<u>1,946</u>	<u>(6,270)</u>

Table B - Analysis of cash and cash equivalents:

Cash in hand	17,356	15,209
Notice deposits (less than 3 months)	<u>-</u>	<u>-</u>
Total cash and cash equivalents	<u>17,356</u>	<u>15,209</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Accounting convention

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties. There are no material uncertainties about the charity's ability to continue in operation. The financial statements are prepared in pounds sterling rounded to the nearest pound.

Grace Charities Trust meets the definition of a public entity under FRS 102. It is an unincorporated charitable trust with registered address of 7 Arlington Way, London, EC1R 1XA.

(b) Going concern

There are no material uncertainties about the charity's ability to continue.

(c) Income

Voluntary income is accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured.

(d) Expenditure

All expenditure is included on an accruals basis.

Charitable expenditure comprises all expenditure directly related to the objects of the charity. This includes governance costs which represent the cost of compliance with constitutional and statutory requirements and costs not able to be included as charitable expenditure.

(e) Cash deposited with Grace Baptist Charities Ltd

Cash deposited with Grace Baptist Charities Ltd is a short term highly liquid investment with a short maturity of three months or less from the date of opening of the deposit.

(f) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising 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 and provisions are recognised at their settlement amount.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019
(continued)

2 RELATED PARTY TRANSACTIONS

Grace Baptist Charities Limited is the corporate trustee for the charity.

In the course of its performance as Trustee the company holds operating cash funds of the charity. During 2019 the interest rate paid to the charity on the cash balances held was 1.55% p.a. for 1st January to 31st December, credited quarterly. The balance of cash funds held at 31st December was £17,356.

The trustee provided administration services to the charity, and made a charge of £7,191 (£6,309 in 2018) for the resources used.

3 TRUSTEES' REMUNERATION AND EXPENSES

No remuneration or reimbursement of expenses directly or indirectly out of the funds of the charity was paid or payable for the year to any Trustee or to any person or persons known to be connected with any of them.

4 AUDIT FEES

The fees paid for the audit of the accounts was £990. An additional fee of £48 was paid as an insurance premium to cover professional costs incurred while dealing with reviews by HMRC of gift aid claims last year.

5 STAFF COSTS AND EMPLOYEE BENEFITS

The charity did not employ any staff during the year.