



MACE FOUNDATION

Report and Financial Statements

For the year ended 31 December 2022

Charity number: 1150134

Company number: 08144743

Financial statements for the year ended 31 December 2022

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Legal and administrative information

Reference and administrative details

Trustees

Mr M Reynolds (Chairman)
Mr R Abbate
Ms I McAllister (resigned 22nd May 2022)
Dr J Grant (resigned 3rd August 2022)
Mr J Millett (resigned 31st December 2022)
Mrs D Reynolds
Ms B Welch
Ms K White
Mr A Kinsey (joined 16th December 2022)
Mrs D Regan (joined 16th December 2022)
Mr M Taylor (joined 16th December 2022)
Ms Z Madams (joined 16th December 2022)

Secretary

Ms C Pate

Executive management

Mr D Hone (Chief Executive Officer)
Mrs J Drummond (Head of Fundraising and Partnerships)
Miss K Doubleday (Fundraising Manager joined 1st November 2022)
Ms J Zhu (Finance Manager)

Registered office and operation address

155 Moorgate
London
United Kingdom
EC2M 6XB

Registered Company number

08144743

Registered Charity number

1150134

Independent Examiner

P D Newton FCA
Jacob Cavenagh & Skeet
Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

Bankers

Barclays Bank Plc
London Corporate Banking
Level 28, 1 Churchill Place
Canary Wharf, London
E14 5HP

Report of the Trustees for the year ended 31 December 2022

The Trustees are pleased to present their report together with the financial statements of the Mace Foundation for the year ended 31 December 2022.

We are serious about securing the right people to deliver our charitable objectives. We commit to paying staff a fair salary that is competitive within the charity sector, proportionate to the complexity and responsibilities of each role. We use the following three measurements when setting out the pay:

- Adapt Mace Limited pay/reward structure for similar roles
- Seek professional advice from HR/recruitment team at Mace Limited.
- Benchmarking within the third sector and keep market competitiveness in line with the wider charity sector.

Structure, governance and management

The Foundation was incorporated as a private company limited by guarantee on 16 July 2012 (registration number 08144743) and is a registered charity (registration number 1150134). It operates in accordance with its articles of association which were adopted by special resolution on 19 November 2012 and as amended by Special Resolution on 9 April 2019.

Trustees are appointed in accordance with the articles of association of the Foundation. Following an amendment to the governing documents the Foundation Trustees are no longer required to retire by rotation through their period in office. Trustees are required however to give due consideration every five years as to whether the retirement or rotation of Trustees should be reintroduced to ensure the continued good governance of the Foundation and thereon vote upon. To date, all Trustees have been recruited from employees of Mace Limited. Potential candidates are selected through consideration of their leadership, governance, finance and strategic experience and are appointed in accordance with any skills gaps that have been identified. All Trustees are employees or connected persons of employees of Mace Limited, which is the main funder of the Foundation.

Trustee inductions are individually tailored to meet the needs of each Trustee. External Trustee training is offered to all Trustees who are new to such a role covering topics such as duties of Trustees under company and charity law, governance and effective interpersonal relationships. Trustees who have previously undertaken Trustee training are invited to undertake refresher courses as required. Training needs are assessed individually on an annual basis.

The Foundation is governed by the Trustees who met 4 times for Trustee meetings in 2022 (2021: 4). Decisions are taken collectively with questions arising at meetings decided by a majority of votes. The Chairman has a second or casting vote in the event of an equality of votes.

The Mace Foundation's executive team consists of four members: a Chief Executive Officer, a Finance Manager, a Head of Partnerships and Fundraising, and a Fundraising Manager. All members of staff are employed by Mace Limited and seconded to the Mace Foundation. In addition to their work for the Foundation, they also undertake work for Mace Limited.

Related parties

The Mace Foundation was set up by the Mace group of companies to direct its charitable giving and activities. Trustees are Mace employees or their connected persons and the current Chairman of the Foundation is the Group Chairman and Chief Executive of Mace, Mark Reynolds. Mace Limited is also the major funder of the Foundation, having committed itself to donating either £300,000 or a sum equal to 1% of Mace Finance Ltd.'s budgeted pre-tax profits and the net profits from Mace Limited fundraising events each year.

Further, Mark Reynolds and Jason Millet are both directors and shareholders of Mace Finance Limited, the ultimate parent company of Mace Limited. Debbi Reynolds is the wife of Mark Reynolds. Several Trustees made small or immaterial donations to the Foundation or partners but these do not warrant further disclosure.

Objectives and activities

The Foundation's objects are such charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the Trustees may from time to time determine, but not exclusively by the provision of grants.

The Foundation is committed to making a positive difference in the communities where Mace operates through charitable activities which benefit the communities for the long term. The Foundation does this on two levels: strategic charity partnerships and a match funding programme.

The Mace Foundation is committed to building strong and enduring relationships and believe that investing for the long term is the best way to maximise the impact of its funding. This also enables the Foundation to build authentic partnerships which provide opportunities for Mace employees to give back.

The key theme for the Foundation is giving back to communities with a focus on the following areas:

- Economic inequality – investing in long term support of local communities and supporting homelessness causes
- Education and employment – practical support to educate disadvantaged and vulnerable people and help them secure employment
- Health, Wellbeing and Environment- making a difference to the lives of people impacted by health and wellbeing issues with a particular focus on mental health support.

The Foundation looks to find suitable strategic charity partners and signs multi-year (typically three year) agreements to provide targeted funding for projects. In 2020, Mind and St. Mungo's were appointed as 3- year strategic charity partners. In 2021, the Foundation set up an official two-year partnership with Dubai Cares to help break the cycle of poverty, illiteracy, and low expectations through education in developing countries.

Achievements and performance

As we start to recover from the global pandemic but with a challenge of inflation as a growing threat to the global economy, Trustees are proud to announce in 2022, the Mace Foundation and Mace people donated over £780,000 to charities, giving back to hundreds of communities around the world.

Match funding

The Foundation's match funding programme remains at the heart of the Foundation and allows Mace people to increase funds they are raising for a charity close to their hearts and in their communities. £413,112 was raised for 113 charities via this programme. Over the last 10 years, the Foundation has donated over £1m into this programme supporting thousands of Mace people.

Strategic charity partnerships

As a result of the Foundation's grants, during 2022 our strategic charitable partners, Dubai Cares, Mind and St Mungo's, were able to provide much needed services to some of the most disadvantaged and vulnerable people in our communities. As well as making a difference to the lives of their beneficiaries, these partnerships engage Mace staff through fundraising challenges, volunteering and pro bono opportunities. Some of the key achievements of 2022 include:

- Construction of a three-classroom primary school in Nepal with furniture accommodating up to 90 students and equipped with gender specific latrines. Capacity building and training for adult education facilitators, literacy training for 40 women and community-based development.
- Grant to Mind funds their Information Services which includes staffing costs, helpline funding, materials costs, and updating and creating new information on their website. It supported Mind to answer 5,789 helpline enquiries, gave people vital information with 528,846 information booklets, helped to pay their Infoline's phone bill for 916 days, and covered the cost of 1 of our Infoline advisors for 591 days.

- St Mungo's Westminster SOS Project: 558 people supported to leave the streets into secure accommodation and 44 people reconnected with friends or family for housing across the UK and internationally.
- 82 people trained in Construction and Maintenance skills with St Mungo's, 3 people to progress into ReVive to gain critical qualifications and work experience, 35 clients gained a qualification and 12 people gained employment.

Financial review

The Foundation's income for the year totalled £711,385 (2021: £442,729) whilst expenditure totalled £660,859 (2021: £424,571) of which £520,835 (2021: £316,169) relates to direct charitable expenditure. Income and Expenditure in 2021 was impacted by the Covid-19 pandemic.

Funding comes from two main sources: Mace Limited donations £210,500 (2021: £295,000) and Mace Limited fundraising £500,885 (2021: £147,729).

Charitable expenditure of £520,835 (2021: £316,169) was made up of strategic charity partnerships £130,000 (2021: £130,000), direct donations to charities £242,708 (2021: £100,728) and employee and project match funding donations £148,127 (2021: £85,441). Support and governance costs totalled £131,242 (2021: £106,056).

£140,010 of restricted expenditure was made in 2022 (2021: £38,140), £110,000 relating to the EBT fund received from Gibraltar to support households across the globe which have been impacted by inflation and the cost of living, the project was delivered via Trussell Trust, Feeding America, Foodbank Australia, Akshaya Patra in India, SOS Children's Village in Vietnam, Friends of Dagoretti in Kenya and Ekukhanyeni and Frida Hartley in South Africa.

Reserves

At 31 December 2022 reserves totalled £141,722 (2021: £91,196). The Trustees had previously agreed that no more than five per cent (5%) of the Foundation's annual income should normally be retained as unrestricted funds at the year-end. The actual level of reserves is reviewed annually in December and Trustees agreed that the 2022 surplus reserves should be brought forward to 2023 to mitigate against any potential fundraising income shortfalls.

Risk management

The Trustees have undertaken their annual review of the major risks to which the Foundation is exposed and are satisfied that appropriate mitigating actions are in place to reduce or control each risk.

The Board is ultimately responsible for setting risk appetite (or tolerance) and ensuring the effectiveness of Mace Foundation's internal controls. The principal risks to which Mace Foundation is exposed are reviewed annually and mitigating actions are taken to reduce the impact and likelihood of the risks. The Management Team ensures that the day-to-day risk management processes are embedded across the organisation through effective implementation of policies and procedures. A summary of the principal risks and mitigations can be found as following.

Risk category	Principal risks	Mitigation strategies and controls
Governance - including communications, reputation, safeguarding and public engagement	Of the 6 current trustees, 5 are Mace employees and 1 is connected person to Mace Group board directors. Difficult to demonstrate independence to Charity Commission.	Risk remains relevant but given that Mace Foundation exists to manage Mace's charitable giving, it is accepted that the trustees are not and will not be independent. Trustees are given sufficient training and support to ensure that they act independently of the interests of Mace Group. Donation and process for match funding requests must demonstrate that they do not cause a conflict of interest.
Operational - including data protection and cyber risks	Cyber risks consist malicious attacks, accidental data loss or misuse and physical system failures.	Mace Foundation has undergone a full GDPR review and we maintain a record of processing activities that will be reviewed yearly by the Mace GDPR compliance team. Mace Foundation benefits from the protections put in place by Mace Limited and holds minimal information about individuals as it works through its partners.
Financial - including fundraising income from individual givers, events and corporates and financial sustainability	Economic environment: increase in inflation and cost of living has impacted on people's ability to give for the charities. Dependency on limited source of income.	Maintain sufficient reserves to achieve its strategic objectives and maintain its operations. Mace Limited have committed publicly to an annual donation by letter of comfort, which will be either £300,000 or a sum equal to 1% of the budgeted pre-tax profits for the financial year. We are increasing other fundraising activities to reduce the reliance of funding on Mace Limited.
Financial - including fraud and compliance	International fraud / misuse of funds	Policy is to evaluate all international requests on a case-by-case basis and can only donate/fund to an established charity. International match funding requests - applicants to provide key data about beneficiaries where necessary. Charity Commission 'Know your...' principles to be applied where appropriate. All requests to be reviewed by the hub ambassador for each area and require trustees' approval if complex.

Grant-giving Programme

Trustees agreed to launch an official grant-giving programme in early 2023, the programme is designed to support smaller charities and not-for-profit organisations where Mace operates, especially those working at grassroots and local community levels, to improve peoples' lives, improve their potential life chances and provide them with opportunities to thrive.

Mace's global reach gives the Foundation an opportunity to make a global difference via the new grant-giving programme, which allows Mace employees to help direct the Foundation's funding to give locally, across the world.

The grant-giving programme is not open to the third sector, applications need to be submitted by Mace people on behalf of a charity or not-for-profit organisation. A grant from the Mace Foundation must be used to support a project that is in accordance with the Foundation's charitable objectives: *education and employment, economic inequality and health, wellbeing, and environment*. Grants are available from £1,000 up to £50,000. Grants should be spent within 12 months of receiving the funds and evidence must be provided on the impact of the funding.

An example of a recent grant given out by the Mace Foundation is to a not-for-profit organisation based in Lima, Peru called Juntas. This social enterprise works across the country, focusing on making female healthcare and education more accessible to children, young adults, parents, and teachers. Their overall objective is to address gender inequality in Peru, which is driven by a range of factors including physical and mental abuse against women; poor educational outcomes due to pregnancy; and lack of resources for teachers and other caregivers to assess and manage risks at school and educate children on the importance of healthy relationships.

The grant from the Mace Foundation is enabling Juntas to design and implement a scalable educational programme to be piloted in 4 schools, with the aim that the programme to be rolled out across 75 schools in the Bicentenary Schools programme. The programme will have a lasting impact not just on the children of the 75 schools, but also their families, teachers, and local communities.

The Mace Foundation executive team have developed a robust process for grant applications which includes them being reviewed on a quarterly basis by the Mace Foundation Board of Trustees. If the application is approved by the Mace Foundation Trustees, a MOU will be agreed and signed by both parties and the agreed donation will be paid via BACS payment. The MOU will contain an agreed payment and reporting schedule.

Plans for future periods

2022 is the last year of the Foundation's existing charity partnerships with Dubai Cares, Mind, and St Mungo's. The Board of Trustees have agreed to continue to support St Mungo's with a focus of helping people have a sustained recovery from homelessness through education and employment. This would be a 2-year partnership (2023-2024) with approximately 10% of the Foundation's charitable expenditure being invested in the project. This would potentially be a minimum of £100k over 2-years.

In November 2022, the Foundation celebrated 10 years of giving; together with Mace people we have donated over £7.7million to hundreds of charities all around the world. A 10-year impact report was created to celebrate this achievement which highlighted over £45m worth of social value has been given back via the Foundation's charity partnerships, match funding programme and one-off donations. This achievement was celebrated as part of the inaugural Mace Foundation Day, Mace people around the world celebrated their charitable giving and raised a further £13k for the Foundation.

The Mace Group have set ambitious targets under their corporate strategy for the Mace Foundation. The Mace Group are targeting 50% of employees to engage with the foundation, and £6m to be donated to charity by 2026. The Foundation Trustees are cognisant of these targets and taking measures to increase engagement and fundraising. However, despite increased Mace employee participation there remains a risk over achieving the target for charitable donations. It is estimated the Foundation's direct charitable giving during this duration is forecasted at £4.1m, on the basis that the Mace Group profit before tax increases in line with the corporate strategy through to 2026, and that all other income

increased by 5% per annum. Even if these income generation targets were achieved there would still be a shortfall of £1.9m. It is suggested Trustees consider in more detail in 2023 how we close the gap and generate more income, as its unlikely this will be achieved via minor employee initiatives and will require larger organised 'big-ticket' events and initiatives. The Fundraising & Engagement committee has been tasked with reviewing this issue and reporting back to Trustees on how this can be resolved. The Foundation's new Fundraising Manager is focussing on delivering the 2023 fundraising calendar which has been approved.

In support of the above, Trustees have decided now is the time to give the Mace Foundation brand and messaging a refresh. Working with Mace's Marcomms team, we will carry out a mini listening exercise and gather some insight from across Mace from colleagues who engage and don't engage with the Foundation to understand more about how we can best position the Foundation and how we gain even more momentum as a charity. We will be using this insight to help refresh the visual identity and the key messaging. The aim is to launch the refresh by the end of April 2023.

Public benefit

The Trustees have considered the Charity Commission's requirement in respect of public benefit. In their view, the charity meets, in full, the criteria to satisfy the test. The Trustees' annual report describes the activities undertaken to further its charitable purposes for the public benefit.

Political donations

Donations to political parties are specifically prohibited by the Mace Foundation. Therefore no donations were made within the year.

Directors and officer's insurance

During the year, the company provided directors' and officers' insurance cover.

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also directors of Mace Foundation for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with 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).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs and income and expenditure of the charitable company for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the charity's website is the responsibility of the Trustees. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

In preparing the trustees' report advantage has been taken of the small company's exemption.

Approved by the Trustees on 28th July 2023 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Mark Reynolds', written over a horizontal line.

Mark Reynolds
Chairman

Independent Examiner's Report to the Trustees of Mace Foundation (the Company)

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2022 set out on pages 11 to 21.

Responsibilities and basis for report

As the charity's trustees (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of 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 the Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Paul Newton FCA
Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date: 07/08/2023

Statement of Financial Activities (including income and expenditure account)
for the year ended 31 December 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Income:							
Donations and legacies	3	571,375	140,010	711,385	404,589	38,140	442,729
Total income		571,375	140,010	711,385	404,589	38,140	442,729
Expenditure:							
<i>Costs of raising funds</i>							
Fundraising costs	4	(35,971)	-	(35,971)	(21,262)	-	(21,262)
<i>Expenditure on charitable activities</i>							
Donations payable	5	(484,878)	(140,010)	(624,888)	(365,169)	(38,140)	(403,309)
Total expenditure		(520,849)	(140,010)	(660,859)	(386,431)	(38,140)	(424,571)
Net income		50,526	-	50,526	18,158	-	18,158
Net movement in funds							
Funds brought forward	11/12	91,196	-	91,196	73,038	-	73,038
Funds carried forward		141,722	-	141,722	91,196	-	91,196

All income and expenditure derive from continuing activities.

The notes on pages 13 to 19 form part of these financial statements.

Balance sheet at 31 December 2022

	Notes	2022 £	2021 £
Current Assets:			
Debtors	8	63,715	-
Cash at bank and in hand		142,105	188,766
		<u>205,820</u>	<u>188,766</u>
Liabilities:			
Creditors: Amounts falling due within one year	9	(64,098)	(97,570)
		<u>(64,098)</u>	<u>(97,570)</u>
Total net assets	10	<u>141,722</u>	<u>91,196</u>
The funds of the charity:			
Unrestricted funds	12	141,722	91,196
Restricted income funds	11	-	-
		<u>141,722</u>	<u>91,196</u>

The Trustees (directors) are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the period by virtue of Section 477, and that no member or members have requested an audit pursuant to Section 476 of the Act.

These financial statements have been prepared in accordance with the provisions available to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

The trustees acknowledge their responsibility for:

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

These financial statements were approved by the trustees and authorised for issue on 28th July 2023 and are signed on their behalf by:



Mark Reynolds
Chairman

The notes on pages 13 to 19 form part of these financial statements.

Company Number: 08144743

Statement of Cash Flows for the year ended 31 December 2022

	<i>Notes</i>	2022 £	2021 £
Net cash (used in)/from operating activities	15	(46,661)	125,656
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
Change in cash in the year		(46,661)	125,656
Cash at the beginning of the year		188,766	63,110
Cash at the end of the year		142,105	188,766

**Notes to the financial statements
for the year ended 31 December 2022****1. General information**

Mace Foundation is a registered charity (Charity Number: 1150134) and is a private company limited by guarantee (Company number: 08144743), incorporated in England and Wales and domiciled in England. The registered office is 155 Moorgate, London, EC2M 6XB.

2. Accounting policies

The principal accounting policies are set out below. The accounting policies have been adopted consistently throughout the year.

a) Basis of accounting

The accounts (financial statements) have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in £ sterling and are rounded to the nearest £1.

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

b) Going concern

Having assessed the Foundation's financial position and plans for the foreseeable future, the Trustees are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

In 2022 and beyond, the donation from Mace Ltd as the main source of income for the charity remains a firm commitment and the Trustees expect the Mace Ltd donation will more than sufficiently cover all the very minimal fixed costs of the charity. The Trustees believe that the pipeline of thoughtfully planned fundraising events will provide the charity with the additional resources to continue its operations.

c) Income

Charitable donations - All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

d) Expenditure

Expenditure is accounted for on an accruals basis and recognised when a liability is incurred.

Costs of raising funds are those costs incurred in attracting voluntary income.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include staff costs, non-recoverable VAT, sundry consumables, and governance costs. Governance costs are those costs primarily incurred in respect of compliance with statutory and constitutional requirements. The basis for the allocation of support costs is set out in note 7.

**Notes to the financial statements
for the year ended 31 December 2022 (continued)**

Donations payable are payments made to third parties in the furtherance of the charitable objectives of the Foundation. Multi-year grants to strategic charity partners are accounted for when the recipient has a reasonable expectation that they will receive a grant and when the Trustees are satisfied that the conditions included within the agreements have been met; this will usually be on an annual basis. Grant recipients are set out in note 6.

e) Fund structure

The funds held by the charity are either:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

f) VAT

The charitable company is not registered for VAT. Non-recoverable VAT is included within support costs.

g) Taxation

The charitable company is exempt from Corporation Tax on its charitable activities. The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

h) Financial instruments

The Foundation 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 values.

Notes to the financial statements
for the year ended 31 December 2022 (continued)

3. Donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Mace Limited donations	210,500	-	210,500	290,000	5,000	295,000
Mace Limited employee and affiliate fundraising	360,875	140,010	500,885	107,977	33,140	141,117
Other donations	-	-	-	6,612	-	6,612
	571,375	140,010	711,385	404,589	38,140	442,729

4. Fundraising costs

	Notes	Unrestricted Funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Unrestricted Funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Direct fundraising costs		(8,782)	-	(8,782)	(2,346)	-	(2,346)
Support and governance	7	(27,189)	-	(27,189)	(18,916)	-	(18,916)
		(35,971)	-	(35,971)	(21,262)	-	(21,262)

5. Charitable activities

	Notes	Unrestricted Funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Unrestricted Funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Grants to strategic charity partners	6	(130,000)	-	(130,000)	(130,000)	-	(130,000)
Donations to charities		(102,698)	(140,010)	(242,708)	(62,588)	(38,140)	(100,728)
Match funding donations to charities		(148,127)	-	(148,127)	(85,441)	-	(85,441)
Total donations		(380,825)	(140,010)	(520,835)	(278,029)	(38,140)	(316,169)
Support and governance	7	(104,053)	-	(104,053)	(87,140)	-	(87,140)
		(484,878)	(140,010)	(624,888)	(365,169)	(38,140)	(403,309)

Notes to the financial statements
for the year ended 31 December 2022 (continued)

6. Grant payments

100% of the grants and donations were to institutions. The table below shows details of the grants to the strategic charity partners.

	2022 £	2021 £
Proactive partnerships		
Mind	55,000	55,000
St Mungo's	55,000	55,000
Dubai Cares	20,000	20,000
Total grants	130,000	130,000

7. Support costs

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Staff costs	(122,188)	-	(122,188)	(99,959)	-	(99,959)
Insurance	(2,110)	-	(2,110)	(1,898)	-	(1,898)
Bank charges	(284)	-	(284)	(369)	-	(369)
Non-recoverable VAT	(404)	-	(404)	(167)	-	(167)
Other costs	(2,856)	-	(2,856)	(573)	-	(573)
Governance costs	(3,400)	-	(3,400)	(3,090)	-	(3,090)
	(131,242)	-	(131,242)	(106,056)	-	(106,056)
Split:						
Fundraising costs (note 4)	(27,189)	-	(27,189)	(18,916)	-	(18,916)
Charitable activities (note 5)	(104,053)	-	(104,053)	(87,140)	-	(87,140)
	(131,242)	-	(131,242)	(106,056)	-	(106,056)

The Chief Executive Officer; Mace Foundation Finance Manager; Head of Partnerships and Fundraising are employed and paid by Mace Limited. They are seconded to the Foundation with the relevant costs re-charged to the Mace Foundation. The 3 (2021: 3) staff members during the year are all considered to be key management personnel. No employees received employee benefits of more than £60,000.

Governance costs include the independent examination charges for the year of £2,550 (including VAT) plus fees for preparation of the accounts of £850 (including VAT).

Support costs have been allocated to charitable activities and fundraising based on staff time.

Trustees' remuneration and expenses:

No trustees received any remuneration or benefits in kind during the period.
No travel or other expenses were reimbursed to trustees during the period.

Notes to the financial statements
for the year ended 31 December 2022 (continued)

8. Debtors

	2022	2021
	£	£
Accrued income	2,500	-
Mace Limited	61,215	-
	<u>63,715</u>	<u>-</u>

9. Creditors: amounts falling due within one year

	2022	2021
	£	£
Credit card	(17,641)	(7,308)
Independent examination	(3,400)	(3,090)
Mace Limited	-	(64,103)
Unpaid charitable donations	(43,057)	(23,069)
	<u>(64,098)</u>	<u>(97,570)</u>

10. Allocation of net assets between funds

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£	£	£	£	£	£
Current assets	205,820	-	205,820	188,766	-	188,766
Current liabilities	(64,098)	-	(64,098)	(97,570)	-	(97,570)
	<u>141,722</u>	<u>-</u>	<u>141,722</u>	<u>91,196</u>	<u>-</u>	<u>91,196</u>

Notes to the financial statements
for the year ended 31 December 2022 (continued)

11. Restricted funds - 2022

	Balance at 1 January 2022	Income	Expenditure	Balance at 31 December 2022
	£	£	£	£
Mace Limited Donations	-	140,010	(140,010)	-
Total restricted funds	-	140,010	(140,010)	-

Restricted funds - 2021

	Balance at 1 January 2021	Income	Expenditure	Balance at 31 December 2021
	£	£	£	£
Mace Limited Donations	-	38,140	(38,140)	-
Total restricted funds	-	38,140	(38,140)	-

Mace Limited Donations – These funds represent donations made from Mace Limited to the Mace Foundation for specific causes and the subsequent donation of these funds.

12. Unrestricted funds - 2022

	Balance at 1 January 2022	Income	Expenditure	Balance at 31 December 2022
	£	£	£	£
General Fund	91,196	571,375	(520,849)	141,722

Unrestricted funds – 2021

	Balance at 1 January 2021	Income	Expenditure	Balance at 31 December 2021
	£	£	£	£
General Fund	73,038	404,589	(386,431)	91,196

Notes to the financial statements
for the year ended 31 December 2022 (continued)

13. Liability of the Members

The charitable company does not have a share capital and is limited by guarantee. In the event of the charitable company being wound up, the maximum amount that each member is liable to contribute is one pound. As of 31 December 2022 there were 8 members (2021: 8).

14. Related party transactions

The Mace Foundation was set up by the Mace group of companies to direct its charitable giving and volunteering activities. Trustees are Mace employees or their connected persons and the current Chairman of the Foundation is the Chief Executive Officer of Mace, Mark Reynolds. Mace Limited is also the major funder of the Foundation, having committed to donating 1% of its budgeted pre-tax profits comprising Mace Limited donations and Mace Limited fundraising events each year.

Further, Mark Reynolds and Jason Millett are both directors and shareholders of Mace Finance Limited, the ultimate parent company of Mace Limited. Mark Reynolds is also a trustee of LandAid, one of Mace Foundation's strategic charity partners, having joined the LandAid board after it became a strategic partner. During the year a grant was paid to LandAid of £10,000 (2021: £10,000). Additionally, Debbi Reynolds who is a Trustee of Mace Foundation is the wife of Mark Reynolds.

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

	2022	2021
	£	£
Net movement in funds	50,526	18,158
(Increase)/decrease in debtors	(63,715)	27,430
(Decrease)/increase in creditors	(33,472)	80,068
Net (used in)/cash from operating activities	(46,661)	125,656