



The Grace Eyre Foundation

Consolidated Report and Financial Statements for year ended 31 March 2020

Charity No. 1020192 / Company No.02806429



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**THE GRACE EYRE FOUNDTION
TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED
31 MARCH 2020**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Office/Address:	36 Montefiore Road, Hove, East Sussex, BN3 6EP
Bankers:	Barclays Bank PLC 139-142 North Street Brighton East Sussex, BN1 1RU
Independent Auditors:	Russell New Limited The Courtyard, Shoreham Road Upper Beeding Steyning West Sussex, BN44 3TN
Legal Advisors:	Griffith Smith LLP 47 Old Steine, Brighton East Sussex, BN1 1NW
Company No:	02806429 (Grace Eyre Housing CIC: 7581137)
Charity Registration No:	1020192
Secretary/ Chief Executive Officer:	Eva Eriksson
Trustees/Directors:	Helen Rice – Chair Peter Begley – Treasurer, elected 29 th April 2019 Peter Boorman Ben Wood, resigned 21 st September 2020 Tracy Cullen, resigned 27 th September 2020 Jade Vallance Joanna Holt Kirsty Pentecost Simon Owens Samantha Boast, elected 30 th March 2020 Karen Medcraft, elected 21 st September 2020 Elizabeth Corbishley, elected 21 st September 2020

THE GRACE EYRE FOUNDATION

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2020 - continued

The Trustees (who also act as Directors for Companies Act purposes) have pleasure in presenting their Annual Report, including the Directors' Report and Strategic Report, and group financial statements for the year ended 31 March 2020.

The Trustees believe that the financial statements comply with the Charities Act 2011, Companies Act 2006, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charity's governing document.

STRUCTURE GOVERNANCE AND MANAGEMENT

The Grace Eyre Foundation is a charitable company limited by guarantee, incorporated on 2 April 1993 and registered with the Charity Commission on 23 April 1993. In the event of the company being wound up members are required to contribute an amount not exceeding £1. The governing document of the organisation is its Articles of Association.

The skills and knowledge of the Trustees, who also act as Directors of the Company, were reviewed during the year to identify gaps with a view to ensuring that the Trustee body has an appropriate range of relevant skills and experience. No trustees resigned during the year and two new Trustees were recruited, one was elected as treasurer. The charity is committed to ensuring that the voice of people with learning disabilities is reflected in decisions made by the board of trustees and one of the trustees has a learning disability. Recruitment of further trustees with learning disabilities is a priority.

The Trustees made changes to the subsidiaries and formally closed down one of its subsidiaries, Purple Playhouse CIC and is working towards closing the Grace Eyre Housing CIC in the next financial year. It was agreed to carry on all activities carried out by the two subsidiaries as part of the charity. The committee structure remains the same; Audit & Risk Committee, Remuneration Committee and a Nominations Committee supports the work of the Board of Trustees. New Trustees have undertaken a thorough induction including meetings with managers, staff and beneficiaries and getting to know the key services delivered by the charity. Trustees have also undertaken training throughout the year.

The Trustees have in place clear processes for decisions in relation to the charity's finances, human and other resources including setting the annual budget and deciding on major financial commitments, the strategic plan – Our Plan 2017-2020, the risk management plan, and other major policies and procedures. The Trustees have monitored the implementation of Our Plan and are satisfied that on the whole, the charity has achieved what it set out in Our Plan 2017-2020.

THE GRACE EYRE FOUNDATION

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH

2020 – continued

At the annual away day held in April 2019, the Trustees debated the charities Risk Management policies and processes and looked in particular at the charities processes for Safeguarding and the new directives from the Charity Commission. The trustees noted some of the difficulties faced by the charity in regards to fee income from local authorities due to ongoing austerity. The Trustees also approved the Annual Budget, elected a new Treasurer and reviewed the strategic plan – Our Plan 2017-2020.

Risk Management

At their away day the Trustees debated and considered major risks affecting the charity. Issues in relation to new business and the Risk Management Plan are managed on a day to day basis by the Chief Executive and the Executive Team and monitored by the Audit & Risk Committee which report to the Board of Trustees.

As a charity, Grace Eyre closely monitors developments in both local and national policy. In recent years, significant changes have been required in how services for people with learning disabilities are delivered. We are fully committed to the emphasis on a person-centered approach with increased involvement of individuals who use our services and their carers in all aspects of service design and provision. Locally, in Brighton & Hove, West Sussex and Lambeth the organisation has been closely involved in the Learning Disability Partnership Board (or equivalent) and Provider Forums which has proved invaluable in establishing joint working and in planning future services.

The Charity employs a Chief Executive, Eva Eriksson, who with the Executive Team of Chris Bland, John Medway (left July 2019), Mark Ainsworth (left December 2019), Tim Drew (started January 2020) and Naomi Cox (started September 2019) manages the charity's operations on a day to day basis.

PUBLIC BENEFIT

In shaping our objectives and planning our activities for the year, the Trustees have given consideration to the duties as set out in section 17(5) of the Charities Act 2011 to have due regard to public benefit. In particular, the Trustees have considered how the planned activities will contribute to the overall aims and objectives that they have set.

The Trustees believe that the following paragraphs, specifically on the Charter developed by people with learning disabilities, the Vision and Mission, relate in detail to the benefit that the charity provides to the public.

THE GRACE EYRE FOUNDATION

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2020 – continued

PURPOSE, CHARTER, VISION AND MISSION

Purpose:

The principal objective of the Grace Eyre Foundation is to support and assist people with learning disabilities, mental health needs, physical or sensory disabilities, old age or any other similar support need by arranging, providing or assisting in providing accommodation, employment, education, training, recreation, occupational activities and similar service

Our Charter states:

Our Charter is about living our lives in the way we want to, getting support from kind and friendly people:

1. We want to lead healthy lives
2. We want to have strong and supported relationships
3. We want to travel around where we live
4. We want to have good housing
5. We want to try new things
6. We want to be listened to
7. We want to be part of our communities

Our Vision is:

For a society where people with learning disabilities are respected as equal citizens, are part of and contribute to their communities and where people can fulfil their dreams and wishes.

Our Mission is:

We will work towards Grace Eyre being led by people with learning disabilities and through that deliver high quality housing, support and activities in their local communities.



The focus of our work

The Grace Eyre Foundation supports people with learning disabilities and/or other needs through four services: Active Lives, Shared Lives, Choices and our subsidiary company, Grace Eyre Housing CIC.

Active Lives provides day activities and projects for 203 people with learning disabilities living across Sussex. Activities provide a range of opportunities organised in three main areas. They also support our Theatre and Cafe/Bar both of which are staffed and managed by people with learning disabilities. Shared Lives supports 117 people with learning disabilities and / or mental health needs, matching individuals with paid carers so that they can live and participate in the community, and providing on-going support. Choices supports 217 people and offers two types of services: supported living and community outreach support to individuals, with a flexible service varying from 24-hour daily support to 1 - 20 hours of support per week.

Grace Eyre Housing CIC has now operated for six years and has employed staff for five years. It acts as landlord for 104 tenants living in their own accommodation. Grace Eyre Housing has grown significantly during the year largely due to partnership working with Brighton & Hove City Council, West Sussex County Council and private landlords in accessing suitable housing. Grace Eyre Housing made a surplus of £66,671 for the year 2019/20, before a donation to the Grace Eyre Foundation, compared to a surplus of £60,896 in 2018/19.



THE GRACE EYRE FOUNDATION

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2020 – continued

Ensuring our work delivers good outcomes

Our aims and outcomes are captured in Grace Eyre's Strategic Plan for 2017-2020 – known as “Our Plan” which sets the direction for all of our work. “Our Plan” is reviewed annually with input from service-users, staff and trustees. In the review we identify what we have achieved and the outcomes of our work in the previous year. The review looks at the performance of each key activity and identifies benefits achieved as well as issues to be addressed in the coming year. The review process helps us ensure our aims, objectives and activities remains focused on our stated purpose.

Executive Summary

Despite this challenging time, we still have been able to achieve great things for people with learning disabilities. We now support nearly 600 individuals across our services, we are becoming an employer of choice and we have taken great steps towards being led by people with learning disabilities.

We achieved most of our targets in our strategic plan, however this is the first strategic plan where we have not over achieved in the last 15 years. We are not alone in experiencing a very challenging time during the 12 years of austerity and cuts to local government funding and therefore low fees to providers of services like ours. Whether the Covid-19 pandemic and its effect on the political and economic situation for the country will change remains to be seen. It is true that a greater understanding and appreciation of social care is emerging and it remains to be seen if that will translate into a friendlier and a more realistic environment for us going forward.

Key aims and objectives of the strategic plan

The key aims and objectives of Our Plan 2017-2020 were as follows:

The overarching aim of the strategy was to build a growing, financially strong and high quality organisation that listened to and was led by people with learning disabilities.

The main objectives were four fold;

1. To implement what **Our Voices** (user leaders) had said was important in their **Charter**. To ensure we have kind and friendly staff, support people in health & well-being, being listened to, have relationships, being able to travel around, access good housing, try new things and be part of their communities
2. To create Hubs across all geographical areas where we work that would **provide community based activities, projects and support** and therefore transform our day services - Active Lives

3. Improve our **financial performance** through our contracts, fundraising and trading
4. Be an **employer of choice** for our staff, including increasing the number of staff who have a learning disability

Achievements and impact

The development of user involvement – **Our Voices Project** - has been very successful. During the three years we have had three managers leading the work who have co-worked with another three paid Ambassadors to increase the reach and visibility of the Our Voices Project. We have had 2 trustees with learning disabilities on the board, others have sat on our senior management team and operational manager's team.

In their own words they have achieved some things, not others and have learnt some lessons.

In terms of impact for Grace Eyre, the start of having people with learning disabilities as trustees together with their contribution to the new strategic plan has changed the way the charity plan, deliver and review our services. This now needs to be embedded more and a number of processes and ways of doing things need to be improved. Co-production can now start in earnest.

Creating community based activities were thought to be best achieved via the creation of Hubs across the communities we work in. This desire was put on hold after the first year mainly due to financial challenges facing not just Grace Eyre but the whole social care sector. It was also felt that re-creating what we do at the day centre at Montefiore Road into smaller Hubs in the community was not the best way of achieving our aim.

Instead we have now spent time in consulting with all stakeholders (service users, families, funders and commissioners) and have a better buy-in and clearer path in terms of achieving more modern and integrated projects and activities in the community working in partnership with other similar organisations to us.

The plans around refurbishing Montefiore Road building together with finding other and complementary buildings has started with the renting of Manor Hill and The Art Studio at the Open Market. With the Covid-19 national emergency, things have changed and a new plan around projects and activities now need to be adapted to ensure social distancing for the next 12-18 months.

Our biggest challenge as a charity has been the **financial stability** of the organisation. We have continued to experience fee levels from local authorities that do not cover our costs. Cordis Bright consultancy was asked to do an external business review in 2018 and they found that 14 of our 17 contracts were losing us money. Since 2018 we have continued to re-structure our work, we have had to

make some redundancies in head office and we have had long, frequent and on the whole fruitful discussions with commissioners.

Despite our financial challenges, we have had an average growth over the life of the plan of 17% during the 3 years but we have seen an average deficit of -1.8% of turnover. We deliver high quality services that are sought after but we have struggled to have sufficient margins. However, some progress has been made. Individual service areas were scrutinised by the trustees in a series of 5 monthly meetings in 2018/19 and by the financial year ending in March 2020 the following services were operating in profit:

- Active Lives – however some projects within this service area still making losses
- Shared Lives – Sussex – the London Shared Lives scheme contract was making a loss and has now finished as of 31st May 2020
- Grace Eyre Housing – continues to have a margin of around 10%
- Choices – our biggest service and overall makes a profit but the Brighton & Hove community outreach part of choices makes a loss of around 8%

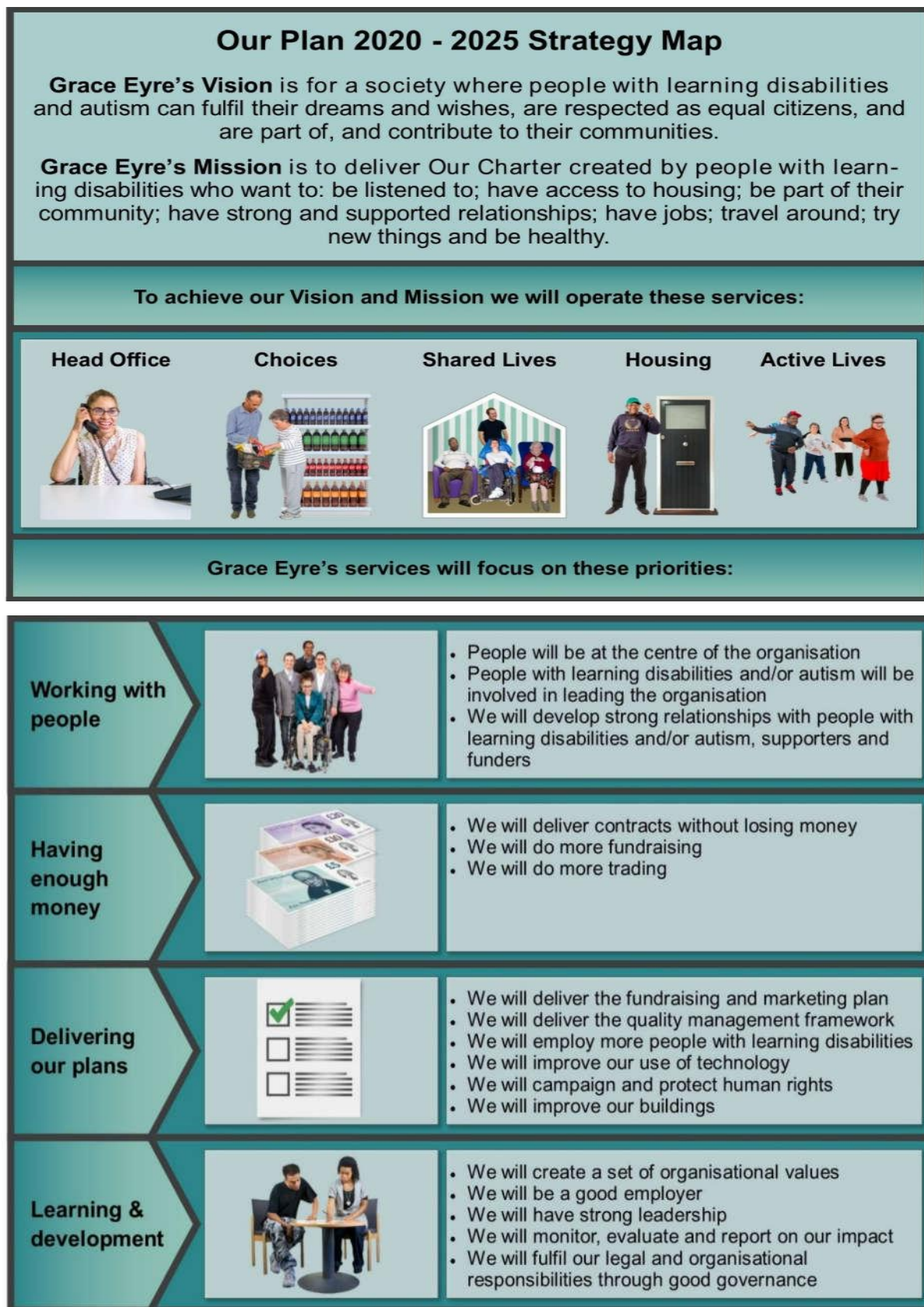
With the Covid-19 pandemic, the picture has changed somewhat and there is a huge challenge for Active Lives to rebuild their service. We have agreed a new fundraising and marketing strategy and have agreed to set up a designated fund from the proceeds of the sale of Walsingham Road to fund this.

We have also closed our subsidiaries as Community Interest Companies and have incorporated their work into the charity. Purple Playhouse CIC is now closed and Grace Eyre Housing CIC will close later this year. The success of Grace Eyre Housing has not just meant that we have now 104 bed spaces in successful and good housing but has also meant that they are the biggest contributor in percentage terms to paying for our central costs.

Grace Eyre has struggled in ensuring we are an **employer of choice** in an environment where social care has been neglected and undervalued. Grace Eyre understands the importance of recruiting and retaining 'kind and friendly staff' and in pursuit of this have maintained 'Real Living Wage' employer status, have invested in an enhanced HR department and employed a training & development co-ordinator. We have improved the ratio of managers and support workers in both Choices and Active Lives and have delivered a number of management development initiatives. We have managed to raise salaries for all our staff on an annual basis although we wish we could have done more. Ironically with the Covid-19 emergency, it is likely that recruitment and retention will be easier and we might see a more stable and skilled workforce as a result. Whether social care will ultimately be given greater funding remains to be seen.

Future Plans

A new strategic plan was agreed in December 2019 after a long consultation by the Our Voices project, our ambassadors, staff, service users, managers and senior managers and a Theory of Change Strategic Map 2020-2025 was created:



THE GRACE EYRE FOUNDATION

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2020

– continued

Investment Policy

Funds which are surplus to current working requirements are invested in cash deposit accounts.

Investments are reviewed periodically by the Trustees to maximise returns and to maintain capital value.

Financial Review

Against the backdrop of funding cuts, price freezes and uncertainties over the future funding of services, Grace Eyre Foundation made a surplus of £1,096,718 (2019 - £85,850). The surplus for the year was mainly due to the sale of a property in Hove. The underlying surplus for the Foundation was £57,596.

Reserves Policy

The charity aims to ensure that sufficient reserves are maintained to enable the charity to ensure the continuation of its activities for a minimum period of two months. The trustees calculate the reserves as that part of the unrestricted income funds which is freely available after taking account of restricted funds allocated for specific purposes. The general unrestricted reserves currently stand at £1,847,120 at the end of 2019/20 (£493,438 in 2018/19).

The reserve requirement is calculated as follows:

	£
Total funds	2,693,208
Less fixed assets	657,130
Less restricted funds	188,958
Total free reserves	<u>1,847,120</u>
Provision for operating costs for two months based on 2020/21 budgeted expenditure	1,469,859

The level of free reserves is currently above the charity's target level. This is due to the proceeds of a property sale, which have been designated by trustees for future developments.

The Grace Eyre Housing CIC continued to operate in surplus in 2019/20; its surplus at 31 March 2020 excluding the donation of profits to the Grace Eyre Foundation was £66,671. The result for Grace Eyre Housing CIC incorporating the donation of profits was a deficit of £37,414.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees, who are also the directors of the company for the purposes of company law, are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 of the charitable company and of the incoming resources and application of resources, including the 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 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 keeping adequate accounting records that 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. The trustees are responsible for the maintenance and integrity of the corporate and financial information included in the company's website. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant audit information (as identified by section 418 of the Companies Act 2006) of which the charity's auditors are unaware. Each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved on behalf of the trustees on and signed on their behalf by:

.....
Helen Rice,
Chair

.....
Date

THE GRACE EYRE FOUNDATION REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GRACE EYRE FOUNDATION

Opinion

We have audited the financial statements of The Grace Eyre Foundation for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement 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 charitable company's affairs as at 31 March 2020 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 Companies Act 2006.

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 charitable company 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 the provisions available for small entities, 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 company'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.

THE GRACE EYRE FOUNDATION

REPORT OF THE INDEPENDENT AUDITORS (CONTINUED)

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report (and the strategic report) prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report (and the strategic report) included within the trustees' report has (have) been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report (or the strategic report) included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 require(s) us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

THE GRACE EYRE FOUNDATION REPORT OF THE INDEPENDENT AUDITORS (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mark Cummins FCCA (Senior Statutory Auditor)
for and on behalf of TC Group**

Statutory Auditor

The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

Dated:

THE GRACE EYRE FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME
AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
INCOME FROM:					
Donations	4	23,973	134,371	158,344	185,469
Investments	5	2,494	-	2,494	1,064
Charitable Activities	7	8,118,840	2,569	8,121,409	7,946,680
Raising funds	6	67,570	-	67,570	51,892
Gain on disposal of fixed asset		1,039,122	-	1,039,122	3,500
Grace Eyre Housing CIC		863,196	-	863,196	642,344
Purple Playhouse Theatre CIC		-	-	-	23,265
TOTAL INCOME		10,115,195	136,940	10,252,135	8,854,214
EXPENDITURE ON:					
Raising funds	9	38,653	-	38,653	191,235
Charitable activities	10	8,253,176	126,004	8,379,180	8,039,961
Grace Eyre Housing CIC	13	737,584	-	737,584	518,342
Purple Playhouse Theatre CIC	14	-	-	-	18,826
TOTAL EXPENDITURE		9,029,413	126,004	9,155,417	8,768,364
NET INCOME/EXPENDITURE		1,085,782	10,936	1,096,718	85,850
Gain/(loss) on defined benefit pension schemes	28	39,000	-	39,000	(39,000)
NET MOVEMENT IN FUNDS		1,124,782	10,936	1,135,718	46,850
RECONCILIATION OF FUNDS:					
TOTAL FUNDS BROUGHT FORWARD		1,398,487	178,022	1,576,509	1,529,659
TOTAL FUNDS CARRIED FORWARD	23	2,523,269	188,958	2,712,227	1,576,509

- The statement of financial activities incorporates the income and expenditure account.
- All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movement in funds are disclosed in Note 25 to the financial statements.
- The notes on pages 19 to 36 form part of these financial statements.

**THE GRACE EYRE FOUNDATION
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020**

	Notes	2020	2019
		£	£
Fixed Assets			
Tangible fixed assets	17	1,903,525	2,114,934
Current Assets			
Debtors	19	1,028,029	883,428
Cash at bank and in hand		1,596,352	317,277
		<u>2,624,381</u>	<u>1,200,705</u>
Current Liabilities			
Amounts falling due within one year	20	<u>(847,224)</u>	<u>(697,898)</u>
Net Current Assets		<u>1,777,157</u>	<u>502,807</u>
Total Assets Less Current Liabilities		<u>3,680,682</u>	<u>2,617,741</u>
Amounts falling due after more than one year	21	(968,455)	(1,002,232)
Defined benefit pension scheme liability	28	<u>-</u>	<u>(39,000)</u>
Net Assets		<u>2,712,227</u>	<u>1,576,509</u>
Funds	23		
Unrestricted funds		1,304,603	1,218,943
Designated funds		1,039,122	-
Revaluation reserve		179,544	179,544
Restricted funds		<u>188,958</u>	<u>178,022</u>
		<u>2,712,227</u>	<u>1,576,509</u>

Company Number: 02806429

Approved by the Trustees on

and signed on their behalf by:

.....
Helen Rice

.....
Peter Begley

The notes on pages 19 to 36 form part of these financial statements.

**THE GRACE EYRE FOUNDATION
CHARITY BALANCE SHEET
AS AT 31 MARCH 2020**

	Notes	2020	2019
		£	£
Fixed Assets			
Tangible fixed assets	17	657,126	841,906
Fixed asset investments	18	4	4
Total Fixed Assets		657,130	841,910
Current Assets			
Debtors	19	1,519,817	1,207,615
Cash at bank and in hand		1,486,861	285,447
		3,006,678	1,493,062
Creditors: amounts falling due within one year	20	(616,561)	(414,836)
Net Current Assets		2,390,117	1,078,226
Total Assets Less Current Liabilities		3,047,247	1,920,136
Amounts falling due after more than one year	21	(354,039)	(367,766)
Defined benefit pension scheme liability	28	-	(39,000)
Net Assets		2,693,208	1,513,370
Funds	23		
Unrestricted funds		1,285,584	1,155,804
Designated funds		1,039,122	-
Revaluation reserve		179,544	179,544
Restricted funds		188,958	178,022
		2,693,208	1,513,370

Company Number: 02806429

Approved by the Trustees on _____ and signed on their behalf by:

.....
Helen Rice

.....
Peter Begley

The notes on pages 19 to 36 form part of these financial statements

**THE GRACE EYRE FOUNDATION
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020	2019
		£	£
<i>Cash used in operating activities</i>	28	155,157	503,065
<i>Cash flow from investing activities</i>			
Interest Income	5	2,494	1,064
Proceeds from sale of assets		1,262,500	3,500
Payments to acquire tangible fixed assets	17	(122,878)	(98,293)
Cash provided by/(used in) investing activities		1,142,116	(93,729)
<i>Cash flows from financing activities</i>			
Repayments of borrowing		(18,198)	(199,742)
Cash generated/ (used) in financial activities		(18,198)	(199,742)
Increase/(decrease) in cash		1,279,075	209,594
<i>Analysis of net cash/(debt)</i>			
	At 1 April 2019	Cash	Non-cash changes
	£	£	£
Cash at bank and in hand	<u>317,277</u>	<u>1,279,075</u>	<u>-</u>
			At 31 March 2020
			£
			1,596,352

THE GRACE EYRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. STATUTORY INFORMATION

The Grace Eyre Foundation is a company, limited by guarantee of £1, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

Basis of Preparation

The financial statements have been prepared in accordance with 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 (FRS102) (effective 1 January 2015) – Charities SORP (FRS102) and the Companies Act 2006.

The Grace Eyre Foundation meets the definition of a public benefit entity under FRS102. Assets and Liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). There are no material uncertainties about The Grace Eyre Foundation's ability as a going concern. The trustees assessment of going concern includes taking into account any potential impact of the COVID-19 pandemic, which is further detailed in the trustees' report.

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

The Statement of Financial Activities and Balance Sheet consolidate the financial statements of the Charity and its wholly owned subsidiary undertaking, Grace Eyre Housing CIC. The prior year also includes the Purple Playhouse Theatre CIC, which was dissolved in 2019/20.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

(a) Income

All incoming resources are recorded net of taxes and are included in the Statement of Financial Activities (SOFA) when the Charity has entitlement to the funds, it is possible that they will receive the resources and the monetary value can be measured with sufficient reliability.

Grants, donations and gifts and are included in full in the SOFA when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the Charity becomes unconditionally entitled to the grant.

Donations are credited to income when received and are included in the unrestricted funds if not destined for specific purposes.

Investment income is included when receivable.

THE GRACE EYRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 - continued

(b) Expenditure

Expenditure is accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. The irrecoverable element of VAT is included with the item of expense to which it relates.

Charitable activities comprise the costs associated with attracting donations and grants and the costs of trading for fundraising purposes. It also includes those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

(c) Fund accounting

The Charity has two types of funds for which it is responsible and which require separate disclosure.

Unrestricted Funds

Funds which are expendable at the discretion of the Trustees in furtherance of the objects of the Charity. Within unrestricted funds are designated funds which have been ring-fenced by the trustees for certain projects.

Restricted Funds

These funds are subject to specific trusts, which may be declared by the donor with their authority and are expendable at the discretion of the Trustees in furtherance of some particular aspect of the objects of the Charity.

(d) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

(e) Investments

Investments are shown in the Balance Sheet at their historic cost. The investments held are those in wholly owned trading subsidiaries.

(f) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £1,000 are not capitalised. Depreciation is charged in the year after the total cost of the asset is incurred. The assets are now depreciated on a straight line basis over their estimated useful lives as follows:

Freehold/Leasehold Buildings	40 years (previously 25 years)
Property Improvements	15 years (or the lease length whichever is shorter)
Equipment	5 years
Motor Vehicles	4 years
IT Projects	5 years
IT Equipment	2 years
Asset under construction	Not depreciated

The charity carries out regular impairment reviews of its fixed assets.

THE GRACE EYRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
– continued

(g) Capitalisation policy

Existing land and buildings are capitalised at the cost of purchase, plus any incidental expenses incurred in the purchase. If Grace Eyre undertakes a major building project, all directly attributable costs incurred in bringing the asset into existence is capitalised. Furniture and equipment will be capitalised if the asset is intended for use on an on-going basis and costs over £1,000.

(h) Revaluation policy

The freehold building at Montefiore Road was revalued in 1997 and the amount of the revaluation has been included in the accounts since that date. The revalued amounts are treated as deemed costs. As no further revaluation has been taken into the accounts, a decision has been made this year to discontinue with the policy of revaluation of freehold buildings, in line with paragraph 264 of the Charities SORP.

(i) Pension costs

The charity operates five defined contribution pension schemes, a Royal London Stakeholder Pension Plan for all eligible staff, and two West Sussex County Council Pension Funds, one East Sussex County Council Pension Fund and one NHS Pension Fund for TUPE staff. Contributions payable to the charity's pension schemes are charged to the SOFA in the period to which they relate.

(j) Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

(k) Debtors

Trade and other debtors are recognised at the settlement amount due.

(l) Creditors and provisions

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(m) Cash at bank and in hand

Cash at bank and in hand includes bank accounts, cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposits or similar account.

(n) Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

THE GRACE EYRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 –
continued

(n) Critical accounting estimates and judgements (continued)

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.

The trustees do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

3. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2019

	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Income From			
Donations	29,543	155,926	185,469
Investments	1,064	-	1,064
Charitable Activities	7,946,680	-	7,946,680
Raising Funds	55,392	-	55,392
Grace Eyre Housing CIC	642,344	-	642,344
Purple Playhouse Theatre CIC	23,265	-	23,265
TOTAL INCOME	8,698,288	155,926	8,854,214
EXPENDITURE ON:			
Raising funds	191,235	-	191,235
Charitable activities	7,866,495	173,466	8,039,961
Grace Eyre Housing CIC	518,342	-	518,342
Purple Playhouse Theatre CIC	18,826	-	18,826
TOTAL EXPENDITURE	8,594,898	173,466	8,768,364
NET INCOME/EXPENDITURE	103,390	(17,540)	85,850
LOSS ON DEFINED BENEFIT PENSION	(39,000)	-	(39,000)
NET MOVEMENT IN FUNDS	64,390	(17,540)	46,850
RECONCILIATION OF FUNDS:			
TOTAL FUNDS BROUGHT FORWARD	1,334,097	195,562	1,529,659
TOTAL FUNDS CARRIED FORWARD	1,398,487	178,022	1,576,509

GRACE EYRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2020 – continued

4. GRANTS AND DONATIONS

	Restricted	Unrestricted	Total 2020	Total 2019
	£	£	£	£
Grant Income & Donations				
Drama Project				
Charlotte Marshall Charitable Trust	-	-	-	400
David Solomons Charitable Trust	-	-	-	1,000
Ernest Klienwort Charitable Trust	-	-	-	3,646
Grace Eyre Friendship Brighton & Hove				
Assheton-Smith Charitable Trust	-	-	-	800
Friarsgate Trust	2,500	-	2,500	1,000
Learning Disability Development Fund	-	-	-	8,628
Mencap Society (Brighton and Hove)	-	-	-	1,000
BHCC	8,628	-	8,628	-
General Donations	-	-	-	748
Open Market Project				
Brighton and Hove City Council	9,231	-	9,231	9,231
Customer Services Course Income	-	-	-	690
Garfield Weston Foundation	-	-	-	2,500
General Donations	-	-	-	814
National Lottery	-	-	-	9,984
Shared Lives Plus				
Shared Lives 16+	10,000	-	10,000	10,000
Sports for All				
Middlesex Sports Foundation	-	-	-	2,000
Peter Harrison Foundation	-	-	-	25,785
Tennis Sussex	-	400	400	400
Theatre Refurbishment				
Homity Trust	-	-	-	840
Sharing Our Voices				
National Heritage	24,850	-	24,850	-
The Lawson Trust	2,500	-	2,500	-
Mayors Charities Foundation	2,830	-	2,830	-
Travel Buddy				
Big Lottery Fund	72,532	-	72,532	76,460
Atoz Creatives	1,300	-	1,300	-
Other Donations	-	23,573	23,573	29,543
	134,371	23,973	158,344	185,469

GRACE EYRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH
2020 – continued

5. INVESTMENT INCOME

	2020	2019
	£	£
Interest from investment funds	<u>2,494</u>	<u>1,064</u>

6. RAISING FUNDS

	2020	2019
	£	£
Angel Cake Café & Catering	67,570	42,534
Purple Playhouse Theatre	-	9,358
	<u>67,570</u>	<u>51,892</u>

7. CHARITABLE ACTIVITIES

	2020	2019
	£	£
Active Lives	1,253,558	1,253,373
Shared Lives	2,826,621	2,417,903
Choices	<u>4,041,230</u>	<u>4,275,404</u>
	<u>8,121,409</u>	<u>7,946,680</u>

This income is made up as follows:

	2020	2019
	£	£
Brighton & Hove City Council	4,277,584	4,232,872
West Sussex County Council	1,532,895	1,534,018
Other Local Authorities	1,814,925	1,710,610
Individual Budgets	<u>496,005</u>	<u>469,180</u>
	<u>8,121,409</u>	<u>7,946,680</u>

8. NET INCOME

	2020	2019
	£	£
This is stated after charging:		
Depreciation	129,107	130,250
Auditor's remuneration	15,500	10,900
Trustees' reimbursed expenses	<u>-</u>	<u>2</u>

THE GRACE EYRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 -
continued

9. RAISING FUNDS	2020	2019
	£	£
Staff Costs	32,004	138,215
Direct Costs	6,649	26,638
Legal & Professional	-	136
Administrative Expenses	-	15,114
Fundraising Costs	-	6,275
Governance Costs (see note 11)	-	113
Support Costs (see note 12)	-	4,290
	<u>38,653</u>	<u>191,235</u>

10. COST OF CHARITABLE ACTIVITIES

	Active Lives £	Shared Lives £	Choices £	2020 Total £	2019 Total £
Staff Costs	907,892	237,581	3,297,509	4,442,982	4,830,264
Direct Costs	84,579	2,350,125	73,981	2,508,685	2,189,368
Administrative Expenses	77,895	45,688	159,593	283,176	153,733
Depreciation	1,240	154	1,675	3,069	56,216
Governance Costs	6,407	12,012	21,622	40,041	37,387
Support Costs	176,196	330,368	594,663	1,101,227	772,993
Total Costs	<u>1,254,209</u>	<u>2,975,928</u>	<u>4,149,043</u>	<u>8,379,180</u>	<u>8,039,961</u>

	Active Lives Unrestricted 2020 £	Active Lives Restricted 2020 £	Active Lives Total 2020 £
Staff Costs	818,747	89,145	907,892
Direct Costs	82,929	1,650	84,579
Administrative Expenses	53,890	24,005	77,895
Depreciation	1,240	-	1,240
Governance Costs	6,407	-	6,407
Support Costs	176,196	-	176,196
Total Costs	<u>1,139,409</u>	<u>114,800</u>	<u>1,254,209</u>

THE GRACE EYRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 -
continued

11. GOVERNANCE COSTS

	2020	2019
	£	£
Audit	15,500	10,900
Other services from auditors	10,300	9,174
Legal & professional fees	14,241	16,490
Other administrative expenses	-	823
Total	<u>40,041</u>	<u>37,387</u>

12. SUPPORT COSTS

	2020	2019
	£	£
Staff Costs	702,605	478,083
Premises	2,543	3,765
Communication & IT	120,290	105,589
Administrative Expenses	176,017	89,265
Travel	8,686	11,787
Depreciation	84,580	39,580
Insurance	6,506	44,924
Total Support Costs	<u>1,101,227</u>	<u>772,993</u>

13. GRACE EYRE HOUSING CIC COSTS

	2020	2019
	£	£
Staff Costs	156,188	95,936
Legal and professional fees	5,254	3,910
Administration expenses	11,839	9,111
Housing costs	490,475	335,060
Travel	3,746	1,797
Depreciation	41,458	33,362
Insurance	3,310	13,597
Bank Charges	118	167
Loan Interest	<u>25,196</u>	<u>25,402</u>
Total	<u>737,584</u>	<u>518,342</u>

14. PURPLE PLAYHOUSE THEATRE CIC COSTS

	2020	2019
	£	£
Staff Costs	-	12,841
Legal and professional fees	-	1,168
Administrative Expenses	-	3,716
Drama Project	-	900
Loan interest	<u>-</u>	<u>201</u>
Total	<u>-</u>	<u>18,826</u>

THE GRACE EYRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 -
continued

15. STAFF COSTS AND NUMBERS

	2020	2019
	£	£
Staff costs were as follows:		
Salaries and wages	4,678,503	4,752,870
Social Security costs	337,062	338,933
Pension contributions	<u>318,214</u>	<u>302,431</u>
Total	<u>5,333,779</u>	<u>5,394,234</u>

Number of employees at 31 March 2020 was 317, full time equivalent 167 (2019: 302 FTE 187). Of these 285 (150.1 FTE) staff were employed in furtherance of our charitable activities and 32 (16.9 FTE) undertook administrative roles.

One employee received emoluments exceeding £60,000 (2019: one).

The above figures include staff who have been employed through an employment agency. These covered short term or ad hoc contracts covering long term sickness and holiday cover. The total amount was £65,870 in 2020 (£112,246 in 2019).

The majority of staff are contracted into the state pension scheme. Provision for additional pension to staff is made by payment into five defined contribution schemes, a Royal London Stakeholder Pension Plan and two West Sussex County Council, one East Sussex County Council and the NHS Pension Funds for TUPE staff.

The directors consider the board of directors, who are the charity's trustees, and the Executive Group comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 16 to the accounts.

The pay of the senior staff is reviewed annually by the Remuneration Committee and benchmarked against the Voluntary Sector Salary Survey (XPert HR 2016). The current target is to reach 80% of median senior manager pay. Performance of senior managers, affordability and financial performance of the charity are also taken into consideration when agreeing remuneration. The total of employee benefits of key management personnel was £301,610 for 2020 (£304,480 for 2019).

16. TRUSTEE REMUNERATION AND REIMBURSED EXPENSES

The Trustees received no remuneration during the year in their capacity as Trustees (2019: nil). No expenses were claimed during the year (2019: £2).

THE GRACE EYRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 - continued

17. TANGIBLE FIXED ASSETS

Group

	Freehold Property £	Leasehold Property £	Equipment £	Motor vehicles £	Asset under construction £	Total £
Cost						
1 April 2019	1,768,594	1,337,622	436,200	12,024	-	3,554,440
Additions	15,374	14,829	70,247	-	22,428	122,878
Disposals	(477,890)	-	-	-	-	(477,890)
31 March 2020	1,306,078	1,352,451	506,447	12,024	22,428	3,199,428

Depreciation

1 April 2019	931,002	142,128	354,352	12,024	-	1,439,506
Depreciation charge	42,708	46,371	40,028	-	-	129,107
Eliminated on disposal	(272,710)	-	-	-	-	(272,710)
31 March 2020	701,000	188,499	394,380	12,024	-	1,295,903

NBV

31 March 2020	605,078	1,163,952	112,067	-	22,428	1,903,525
31 March 2019	837,592	1,195,493	81,848	-	-	2,114,934

Charity

	Freehold Property £	Leasehold Property £	Equipment £	Motor £	Asset under construction £	Total £
Cost						
1 April 2019	1,354,535	389,709	436,200	12,024	-	2,192,468
Additions	15,374	-	70,247	-	22,428	108,049
Disposals	(477,890)	-	-	-	-	(477,890)
31 March 2020	892,019	389,709	506,447	12,024	22,428	1,822,627

Depreciation

1 April 2019	905,131	79,055	354,352	12,024	-	1,350,562
Depreciation charge	37,599	10,022	40,028	-	-	87,649
Eliminated on disposal	(272,710)	-	-	-	-	(272,710)
31 March 2020	670,020	89,077	394,380	12,024	-	1,165,501

NBV

31 March 2020	221,999	300,632	112,067	-	22,428	657,126
31 March 2019	449,404	310,654	81,848	-	-	841,906

THE GRACE EYRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020– continued

The freehold property at Montefiore was re-valued at £500,000 in April 1997 and this value has been included in the Accounts since that date.

The historical cost of the freehold land and property is considered to be £9,388.

No depreciation is charged on the estimated value of land of £100,000 which is included in the freehold property.

18. INVESTMENTS

The wholly owned subsidiary Grace Eyre Housing CIC, which is incorporated in England and Wales, manages 59 properties with 104 bed spaces – for the benefit of people with learning disabilities and mental health issues. The Charity owns the entire issued share capital of 3 ordinary shares of £1 each. The company is Registered Number 07581137 (England and Wales) and is registered at 36 Montefiore Road, Hove, East Sussex. The company transferred its business to Grace Eyre Foundation on 31 March 2020 and will be closed before 31 March 2021.

The Purple Playhouse Theatre CIC started trading in April 2015 and aims to raise an income from renting out the theatre and supporting people with learning disabilities to learn new skills. The Charity also owns the entire issued share capital of 1 ordinary share of £1. The issued shares are ordinary shares and carry the voting and dividends rights afforded to this class of share. The company is Registered Number 09316950 (England and Wales) and is registered at 36 Montefiore Road, Hove, East Sussex. The company ceased trading in 2019 and its trade and assets/liabilities were transferred to the Foundation. The company was dissolved on 25 February 2020.

Grace Eyre Housing CIC's results are included in the Grace Eyre Foundation consolidated accounts.

	2020	2019
	£	£
Brought forward	4	4
Additions	-	-
Carried forward	4	4

A summary of the results for the year are shown below:

	Grace Eyre Housing CIC	Purple Playhouse Theatre CIC	Total Year Ended 2020	Total Year Ended 2019
	£	£	£	£
Turnover	863,196	-	863,196	665,609
Administrative expenses	(900,610)	-	(900,610)	(590,446)
Profit/(loss) for the financial year	(37,414)	-	(37,414)	75,163

The total shareholder funds for Grace Eyre Housing CIC at the year end were £23,482 (2019: 60,896).

THE GRACE EYRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 - continued

19. DEBTORS

	2020		2019	
	Group	Charity	Group	Charity
	£	£	£	£
Trade Debtors	801,028	792,704	808,077	736,794
Prepayments and accrued income	227,001	255,843	75,351	55,114
Amounts owed by group undertakings	-	471,270	-	415,707
	1,028,029	1,519,817	883,428	1,207,615

20. CREDITORS

Amount falling due within 1 year

	2020		2019	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	160,669	144,154	258,801	200,426
Other creditors	197,128	153,989	199,012	175,557
Accruals and deferred income	489,427	318,418	240,085	38,853
	847,224	616,561	697,898	414,836

21. CREDITORS

Amount falling after 1 year

	2020		2019	
	Group	Charity	Group	Charity
	£	£	£	£
Other loans 1-2 years	68,705	23,290	71,319	23,290
Other loans 2-5 years	206,114	69,870	213,955	69,870
Other loans more than 5 years by instalments	693,636	260,879	716,958	274,606
	968,455	354,039	1,002,232	367,766

The company took out a loan on 30th June 2017 for £405,000 to fund expansion of Grace Eyre Housing's property portfolio. The loan is conditional on a charge over 36 Montefiore Road, Hove. The loan was redeemed on 30 June 2020.

THE GRACE EYRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 - continued

22. FINANCIAL COMMITMENTS

At 31 March 2020 the company had total commitments under non-cancellable operating leases as follows:

	Other		Land and buildings	
	2020	2019	2020	2019
	£	£	£	£
Within one year	31,766	31,766	112,297	98,078
Between two and five years	64,211	95,977	141,020	157,069
More than 5 years	-	-	84,893	94,012
Total	95,977	127,743	338,210	349,159

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Revaluation Reserve	Restricted Funds	Total 2020
Group	£	£	£	£
Tangible fixed assets	1,723,981	179,544	-	1,903,525
Net current assets	1,588,199	-	188,958	1,777,157
Long term liabilities	(968,455)	-	-	(968,455)
Provisions	-	-	-	-
Net assets at 31 March 2020	2,343,725	179,544	188,958	2,712,227
Charity				
Tangible fixed assets	477,586	179,544	-	657,130
Net current assets	2,201,159	-	188,958	2,390,117
Long term liabilities	(354,039)	-	-	(354,039)
Provisions	-	-	-	-
Net assets at 31 March 2020	2,324,706	179,544	188,958	2,693,208

THE GRACE EYRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 - continued

ANALYSIS OF NET ASSETS BETWEEN FUNDS FOR THE YEAR ENDED 31 MARCH 2019

	Unrestricted Funds	Revaluation Reserve	Restricted Funds	Total 2019
Group	£	£	£	£
Tangible fixed assets	1,841,585	179,544	93,805	2,114,934
Net current assets	418,590	-	84,217	502,807
Long term liabilities	(1,002,232)	-	-	(1,002,232)
Provision	(39,000)	-	-	(39,000)
Net assets at 31 March 2019	1,218,943	179,544	178,022	1,576,509
Charity				
Tangible fixed assets	568,561	179,544	93,805	841,910
Net current assets	994,009	-	84,217	1,078,226
Long term liabilities	(367,766)	-	-	(367,766)
Provision	(39,000)	-	-	(39,000)
Net assets at 31 March 2019	1,155,804	179,544	178,022	1,513,370

24. MOVEMENT IN FUNDS

	Balance at 1 April 2019	Incoming Resource	Outgoing Resource	Balance at 31 March 2020
	£	£	£	£
Restricted Funds/Projects				
The National Lotteries Charities Grant	93,804	-	-	93,804
Allotment Project	1	-	-	1
Art Studio	-	9,792	(17,305)	(7,513)
Drama Project	5,046	-	-	5,046
Friendship Project - Brighton & Hove	2	11,216	(8,776)	2,442
Open Market Project	769	-	-	769
Shared Lives 16+	2,119	10,000	(6,012)	6,107
Sharing Our Voices	-	32,100	(11,204)	20,896
Sport Other (Football, Swimming, Tennis)	6,591	-	(9,497)	(2,906)
Theatre Refurbishment	(458)	-	(1,320)	(1,778)
Travel Buddy	67,864	73,832	(71,890)	69,806
Walsingham Road Centre Refurbishment Project	2,284	-	-	2,284
Total Restricted Funds	178,022	136,940	(126,004)	188,958

THE GRACE EYRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 - continued

The transfers between funds relate to matched funding required under the grant arrangements by the charity.

	Balance at 1 April 2019	Incoming Resource	Outgoing Resource	Other Gains	Balance at 31 March 2020
	£	£	£	£	£
Revaluation reserve	179,544	-	-	-	179,544
General funds	1,168,291	8,188,357	(8,291,829)	-	1,064,819
Designated funds	-	1,039,122	-	-	1,039,122
Grace Eyre Housing	114,172	863,196	(737,584)	-	239,784
Purple Playhouse Theatre	(24,520)	24,520	-	-	-
Defined pension scheme	(39,000)	-	-	39,000	-
Total unrestricted	<u>1,398,487</u>	<u>10,115,195</u>	<u>(9,029,413)</u>	<u>39,000</u>	<u>2,523,269</u>
Total Funds	<u>1,576,509</u>	<u>10,252,135</u>	<u>(9,155,417)</u>	<u>39,000</u>	<u>2,712,227</u>

Purpose of general funds

General funds are unrestricted funds that the Trustees are free to spend on anything within the charitable objects.

Purpose of designated funds

Designated funds are unrestricted funds that the Trustees have designated towards funding for the Big Build (£914,122) and the Fundraising/Marketing initiative (£125,000).

Purpose of revaluation reserve

A revaluation reserve fund of £490,612 was created when the Montefiore property was revalued in 1997 to recognise the equity in our Balance Sheet.

Purpose of restricted funds

Restricted funds are funds provided to undertake specific projects of work. In the period to 31 March 2020 this included funds from:

Grant Making

Big Lottery Fund – Reaching Communities - Supported our 'Travel Buddy Brighton & Hove Project', which helps people to travel around where they live independently and safely, by learning skills and making journeys with a volunteer buddy.

Big Lottery Fund – Awards for All - Supported our 'Art Studio' project, a refurbishment to improve the experience of staff, volunteers and customers at our space for art exhibitions and sales.

Brighton & Hove City Council - Supported our 'Art Studio' project, helping people to try new things and to be part of their communities through volunteering and employment skills.

Brighton & Hove City Council - Supported our 'Friendship' project, which helps people to have strong and supported relationships, seeing people when and where they want to.

Shared Lives Plus – Supported a pilot programme to start a Shared Lives scheme for young people aged 16+

Trusts and Foundations

Charlotte Marshall Charitable Trust - Supported our 'Drama' project, which helps people to lead healthy lives and have creative minds by participating in the performing arts.

David Solomons Charitable Trust - Supported our 'Drama' project, which helps people to lead healthy lives and have creative minds by participating in the performing arts.

Ernest Kleinwort Charitable Trust - Supported our 'Drama' project, which helps people to lead healthy lives and have creative minds by participating in the performing arts.

Garfield Western Foundation - Supported our 'Art Studio' project, helping people to try new things and to be part of their communities through volunteering and employment skills.

Mencap Brighton & Hove - Supported our 'Friendship' project, which helps people to have strong and supported relationships, seeing people when and where they want to.

Middlesex Sports Foundation - Supported our 'Sports for All in Sussex' project, which helps people to lead healthy lives by participating in regular sport and physical activity.

Peter Harrison Foundation - Supported our 'Sports for All in Sussex' project, which helps people to lead healthy lives by participating in regular sport and physical activity.

Tennis Sussex - Supported our 'Sports for All in Sussex' project, which helps people to lead healthy lives by participating in regular sport and physical activity.

The Assheton-Smith Charitable Trust - Supported our 'Friendship' project, which helps people to have strong and supported relationships, seeing people when and where they want to.

The Friarsgate Trust - Supported our 'Friendship' project, which helps people to have strong and supported relationships, seeing people when and where they want to.

25. ULTIMATE CONTROLLING PARTY

The Charity is controlled by the Board of Trustees. Details of Trustees can see found in the Reference and Administrative Details section on page 2.

26. TRANSACTIONS WITH RELATED PARTIES

The Charity has taken advantage of the exemptions conferred by FRS 102 not to make disclosure in respect of transactions with related parties eliminated on consolidation. One Director, Kirsty Pentecost, receive services from Grace Eyre Foundation.

There were no other related party transactions in the year

THE GRACE EYRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2020 - continued

27. NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net income/(expenditure)	1,135,718	46,850
Interest receivable	(2,494)	(1,064)
Gain on disposal of fixed assets	(1,039,122)	-
Depreciation of tangible fixed assets	129,107	130,250
Increase/(decrease) in provisions	(39,000)	39,000
(Increase)/decrease in debtors	(144,601)	189,908
Increase/(decrease) in creditors	115,549	98,121
	155,157	503,065

28. LOCAL GOVERNMENT PENSION SCHEME

The charity is one of several employing bodies included within the Local Government Pension Scheme (LGPS) which is administered by East Sussex County Council.

The LGPS is a funded defined benefit scheme, with assets held in separate trustee administered funds. Contributions to the schemes are determined by qualified actuaries on the basis of triennial valuations using the projected unit method. The scheme is a multi-employer pension scheme.

The following information is based upon full actuarial valuations of the funds at 31 March 2020 by qualified independent actuaries for the entire East Sussex Council Pension Fund.

The principal actuarial assumptions used by the actuaries were as follows:

	2020	2019
	%	%
<i>Discount rate at 31 March</i>	2.3	2.5
<i>Expected return on assets at 31 March</i>	4.2	2.5
<i>Rate of increase in pensions payment</i>	1.8	2.4
<i>Rate of increase in salaries</i>	1.8	2.8

THE GRACE EYRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
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28. LOCAL GOVERNMENT PENSION SCHEME - continued

The post retirement mortality assumptions used to value the benefit obligation are based on the Fund's Vita Curves with improvements in line with the CMI 2013 model assuming long term improvements of 1.25% p.a. Based on these assumptions, the average future life expectancy of an average male reaching age 65 in 2020 is 23 years. The life expectancy of a female member reaching age 65 in 2020 is projected to be 25 years.

The expected return on plans' assets is based on market expectations for investment returns over the life of the related obligation.

The major categories of plan asset as a percentage of the total plans' assets, are as follows:

	2020	2019
	%	%
<i>Equities</i>	71	65
<i>Bonds</i>	17	22
<i>Property</i>	10	10
<i>Cash</i>	2	3

The major categories of plan asset as a percentage of the total plans' assets, are as follow:

	2020	2019
	£'000	£'000
Fair value of Employer Assets	2,357	2,415
Present Value of Funded Liabilities	(2,498)	(3,032)
(Deficit) / Surplus	(141)	(617)
Liability covered by East Sussex County Council	578	578
Deficit recognised in the accounts	-	(39)

The pension fund was transferred on 1 July 2017 from East Sussex County Council. The Council will cover any deficit in the pension fund up to this date. Any subsequent deficits will be covered by the charity.