

Charity number: 519849

The Community of Grace
Trustees' report and financial statements
for the year ended 31st March 2025

The Community of Grace

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Legal and administrative information

Charity number	519849
Principal office	Wycliffe United Reformed Church The Common Evington Leicester LE5 6EA
Trustees	Reverend Dr. Deborah Baird Reverend David Howlett
Accountants	Adkin Sinclair LLP Sterling House 32 St John Street Mansfield Nottinghamshire NG18 1QJ
Bankers	Co-operative Bank 1 Balloon Street Manchester M60 4EP

The Community of Grace

Report of the trustees for the year ended 31st March 2025

The trustees present their report and the financial statements for the year ended 31st March 2025. The trustees who served during the year and up to the date of this report are set out on page 1.

Objectives and activities

Constitution and Objects

The objectives of the charity are the relief of the poor who are homeless or otherwise socially isolated by providing accommodation and by supporting and further assisting such persons who by reason of any physical emotional or social infirmity are in need of advice or counselling in order to encourage their self-reliance and develop their personalities to the full extent to which they are capable in relation to other persons so that they may become full members of society playing their part therein.

Organisation

The trustees who have served during the period are set out above. The number of trustees should be a minimum of two and a maximum of nine. New trustees are appointed by existing trustees. The trustees meet regularly to discuss the business of the charity.

Trustee Induction

New trustees attend an induction. This includes information on Community of Grace and other relevant documents e.g. constitution, accounts, minutes of trustee meetings and the most recent project update.

Training & Development

We offer training programmes online so that volunteers have the skills and development that is needed.

Aims and Main Activities

Community of Grace exists to relieve poverty, homelessness, and social isolation. Our main objectives for the reporting year were to provide safe accommodation, supportive community environments, and practical assistance to vulnerable individuals, helping them to rebuild their lives and foster resilience.

The trustees confirm they have had regard to the Charity Commission's guidance on public benefit, ensuring that all activities undertaken during the year align with our charitable purposes and demonstrate clear public benefit.

The primary activities undertaken to meet our objectives include:

- Providing supportive cohousing accommodation at West Drayton Farm, Nottinghamshire.
- Operating "Place of Welcome" hubs to combat social isolation and provide immediate needs support in Leicester.
- Distributing food parcels to individuals experiencing food poverty.
- Managing a community garden to promote well-being, skill-building, and fresh food production.
- Delivering holistic support, including befriending, counselling, and life skills training.

Achievements and Performance

This section details the impact of our activities and how we have delivered public benefit throughout the year.

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Report of the trustees for the year ended 31st March 2025

1. Accommodation and Supported Housing

This was the first full year of providing accommodation at our new West Drayton Farm site in Nottinghamshire. We successfully provided safe housing and a supportive cohousing environment for five individuals who had previously experienced long-term homelessness and social isolation.

- Impact: The supportive community structure has been vital in nurturing healing and providing ongoing practical support. Two residents faced serious health issues requiring operations during the year; the cohousing environment facilitated mutual support, ensuring individuals were cared for during their recovery. Shared meals and collaborative living arrangements fostered skill development and a strong sense of purpose.

2. Addressing Social Isolation: Place of Welcome

In collaboration with Wycliffe United Reformed Church (URC) and Grow Together in Leicester, Community of Grace operates a thriving hub that addresses social isolation.

- Impact: We hosted "Place of Welcome" sessions twice weekly, providing a vital, inclusive refuge for those experiencing loneliness. We offered refreshments, nutritious lunches, emotional support, and acted as an information hub connecting participants to local services. This non-judgmental atmosphere helped individuals rebuild confidence and self-esteem. We are currently working with the URC Synod to establish this space as a permanent mission project.

3. Addressing Food Poverty

Community of Grace has actively combated food poverty through regular distributions of fresh and staple foods.

- Impact: We provided weekly food parcels to clients, individuals in emergency accommodation, and other vulnerable households. Dedicated volunteers ensured the delivery of healthy produce (veg, fruit, meat) and staples (pasta, rice, tinned food). These weekly visits also provided essential human contact and a chance for well-being check-ins. In collaboration with Islamic Relief UK and One Roof Leicester (July 2024 and January 2025), we delivered additional food hampers to over 200 people in Leicester.

4. Therapeutic Activity

Our partnership with Grow Together at the Wycliffe URC garden provides a unique therapeutic and community-building space.

- Impact: The garden has flourished into a vibrant ecological project featuring food production, beehives, and aquaponics. It provides a gentle environment for individuals to connect with others, reducing feelings of isolation.

- Recognition: In 2024, the Community Garden received an "Outstanding" assessment at the RHS East Midland in Bloom Celebration, with a score of over 90%. The assessor highlighted the garden's inclusivity and supportive atmosphere as its most special feature.

- Beneficiary Feedback:

"The community garden has been a lifeline for combating my isolation and supporting my mental health... This new community, combined with being outdoors, has dramatically improved my mental well-being and provided a peaceful escape from daily stress."

Financial review

During the year ended 31st March 2025 the charity received income of £41,628 and incurred expenditure of £42,560. Overall this year there was a deficit of £932.

The Community of Grace

Report of the trustees for the year ended 31st March 2025

Reserves and investment policy

Unrestricted funds amounted to £724,942 at the year end, of which £700,000 is represented by a long term investment by way of a secured loan to GraceWorks Gardens Ltd. Free reserves available for the day to day operation of the Charity amounted to £24,942 at the year end.

Donations and Fundraising - Principal Funding Sources:

The charity's work is sustained through vital donations from individuals, significant in-kind contributions (volunteer time, food, equipment) from local community and faith groups, and specific project support from our partners.

Investment - Program-Related Investment:

In October 2023, Community of Grace made a £700,000 program-related investment (PRI) in GraceWorks Gardens Limited, our partner since 2021. This investment secured the purchase of West Drayton Farm in Nottinghamshire for our supportive housing project. The PRI is already demonstrating its impact by enabling the provision of accommodation and support to vulnerable individuals. Looking ahead, we expect the impact to grow as the therapeutic gardening initiative comes online in the coming year, further supporting our charitable objectives.

Volunteers

Volunteers are the backbone of Community of Grace. This year, volunteers dedicated over 2000 hours of their time to support our projects and clients. Their roles span client support, property maintenance, food deliveries, gardening, cooking, befriending, bookkeeping, and administration. The value of these in-kind contributions cannot be overstated.

Plans for future periods

Trustees and GraceWorks Gardens directors are working collaboratively to develop the facilities at West Drayton Farm.

- **The Stables:** We anticipate commencing building work to convert the stables into a Therapeutic Gardening Hub in the coming year. We are actively seeking corporate support for materials and a volunteer workforce.
- **Therapeutic Projects:** Following the conversion, we will seek funding to establish a formal therapeutic gardening project at the farm to support the physical, emotional, and mental health needs of our clients.
- **West Drayton Garages:** The garages are now clear. The process of engaging an architect to develop these into an active workspace will begin in the next financial year.

Public benefit

The Trustees of Community of Grace confirm that they have fully considered the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities.

We ensure all our activities align with our stated purposes for the public benefit. Our work is delivered to clearly defined groups experiencing homelessness, social isolation, and food poverty, as detailed in the 'Achievements and Performance' section of this report.

We monitor the effectiveness and impact of our services by actively consulting with our volunteers and clients to ensure we meet the current needs of those we support. The Trustees are confident that the evidence presented in this annual report demonstrates how the charity provided a clear public benefit during the year.

Declaration

The trustees confirm that there have been no serious incidents during the financial year that require reporting to the Charity Commission.

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Report of the trustees for the year ended 31st March 2025

Statement of trustees' responsibilities

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

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of charity and of the incoming resources and application of resources of the charity for that year. 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 2019 (FRS 102);
- make judgements 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



Reverend David Howlett
Trustee

Date: 19th January 2026

The Community of Grace

Independent examiner's report to the trustees of The Community of Grace.

I report to the charity trustees on my examination of the accounts of The Community of Grace for the year ended 31st March 2025 set out on pages 7 to 17.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

.....
Christopher Adkin
Chartered Accountant
Adkin Sinclair LLP
Sterling House
32 St John Street
Mansfield

19th January 2026

The Community of Grace

Statement of financial activities

For the year ended 31st March 2025

	Notes	Unrestricted funds £	2025 Total £	2024 Total £
Income from:				
Donations and legacies	2	1,005	1,005	5,291
Charitable activities	3	329	329	954
Investments	4	39,694	39,694	21,672
Incoming resources from charitable activities	5	600	600	-
Total income		<u>41,628</u>	<u>41,628</u>	<u>27,917</u>
Expenditure on:				
Charitable activities	6	42,365	42,365	41,324
Other resources expended	8	195	195	30,000
Total expenditure		<u>42,560</u>	<u>42,560</u>	<u>71,324</u>
Net movement in funds		(932)	(932)	(43,407)
Total funds brought forward		725,874	725,874	769,281
Total funds carried forward		<u>724,942</u>	<u>724,942</u>	<u>725,874</u>

The statement of financial activities includes all gains and losses in the year and therefore a separate statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 9 to 17 form an integral part of these financial statements.

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Balance sheet As at 31st March 2025

	Notes	£	2025 £	£	2024 £
Fixed assets					
Tangible assets	10		2,210		3,152
Investments	11		700,000		700,000
			<u>702,210</u>		<u>703,152</u>
Current assets					
Debtors	12	86		428	
Cash at bank and in hand		24,806		25,894	
		<u>24,892</u>		<u>26,322</u>	
Creditors: amounts falling due within one year	13	(2,160)		(3,600)	
Net current assets			22,732		22,722
Net assets			<u>724,942</u>		<u>725,874</u>
Funds	14				
Unrestricted income funds			724,942		725,874
Total funds			<u>724,942</u>		<u>725,874</u>

The financial statements were approved by the board of trustees on 19th January 2026 and signed on its behalf by

Reverend David Howlett
Trustee



The notes on pages 9 to 17 form an integral part of these financial statements.

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Notes to the financial statements For the year ended 31st March 2025

1. Summary of significant accounting policies

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Basis of accounting

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

1.2. Cashflow

The charity has taken advantage of the exemption in the Charities SORP 2019 from the requirement to produce a cashflow statement.

1.3. Fund accounting

Funds held by the charity are either:

* Unrestricted funds - these are funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charity.

* Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

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

Transfers between funds:

Where permitted, the release of restricted funds to unrestricted general or designated funds may be made at the conclusion of a restricted activity. General unrestricted funds may be transferred at the discretion of the trustees to assist in supporting a particular activity.

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Notes to the financial statements For the year ended 31st March 2025

1.4. Income recognition

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Investment income

Investment income is included when receivable.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Gift Aid

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

1.5. Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises 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.

Governance costs include costs associated with meeting the constitutional and statutory requirements of the charity and include the accounts examination fees and costs linked to the strategic management of the charity.

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Notes to the financial statements For the year ended 31st March 2025

1.6. Fixed assets

a. Depreciation

Depreciation is calculated using the reducing balance basis method at a rate of 25% per annum to write down the cost of fixed assets over their estimated useful lives at the following rates:

Furniture and equipment	25% reducing balance basis
Other tangible fixed assets	25% reducing balance basis

1.7. Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in the statement of financial activities.

1.8. Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit on a straight line basis over the lease term.

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Notes to the financial statements For the year ended 31st March 2025

1.9. Financial Instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

2. Income from donations and legacies

	Unrestricted funds £	2025 Total £	2024 Total £
Sundry donations	1,005	1,005	5,291
	<u>1,005</u>	<u>1,005</u>	<u>5,291</u>

Income from donations and legacies was £1,005 (2024 - £5,291) of which £- (2024 - £-) was attributable to restricted funds.

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Notes to the financial statements For the year ended 31st March 2025

3. Income from charitable activities

	Unrestricted funds	2025 Total	2024 Total
	£	£	£
Consultancy	329	329	954
	<u>329</u>	<u>329</u>	<u>954</u>

Income from Charitable activities was £329 (2024 - £954) of which £- (2024 - £-) was attributable to restricted funds.

4. Income from investments

	Unrestricted funds	2025 Total	2024 Total
	£	£	£
Bank interest receivable	560	560	3,173
Other interest receivable	39,134	39,134	18,499
	<u>39,694</u>	<u>39,694</u>	<u>21,672</u>

Income from Investments was £39,694 (2024 - £21,672) of which £- (2024 - £-) was attributable to restricted funds.

5. Incoming resources from charitable activities

	Unrestricted funds	2025 Total	2024 Total
	£	£	£
Grants	600	600	-
	<u>600</u>	<u>600</u>	<u>-</u>

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Notes to the financial statements For the year ended 31st March 2025

6. Expenditure on charitable activities

	Unrestricted funds £	2025 Total £	2024 Total £
Direct costs:			
Rent	36,195	36,195	21,114
Rates and utilities	892	892	1,765
Light and heat	919	919	3,355
Repairs, maintenance and equipment	-	-	186
Insurance	217	217	1,084
Client welfare	-	-	758
Legal and professional	-	-	7,222
Telephone and internet	1,145	1,145	1,031
Postage, stationery and telephone	-	-	44
Depreciation	747	747	1,051
Travel	-	-	24
	<u>40,115</u>	<u>40,115</u>	<u>37,634</u>
Governance costs (note 7)	2,250	2,250	3,690
Total	<u><u>42,365</u></u>	<u><u>42,365</u></u>	<u><u>41,324</u></u>

Expenditure on direct charitable activities was £40,115 (2024 - £37,634) of which £- (2024 - £-) was attributable to restricted funds.

Expenditure on governance costs, was £2,250 (2024 - £3,690) of which £- (2024 - £-) was attributable to restricted funds.

7. Governance costs

	Unrestricted funds £	2025 Total £	2024 Total £
Accountancy and examination	2,160	2,160	3,600
Subscriptions	90	90	90
	<u>2,250</u>	<u>2,250</u>	<u>3,690</u>

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Notes to the financial statements For the year ended 31st March 2025

8. Other resources expended

	Unrestricted funds £	2025 Total £	2024 Total £
Loss on disposal of tangible fixed assets	195	195	30,000
	<u>195</u>	<u>195</u>	<u>30,000</u>

9. Employees

Employment costs

No salaries or wages have been paid to the trustees. Expenses of £Nil (2024: £Nil) were reimbursed.

Number of employees

The average monthly numbers of employees (including the trustees) during the year, calculated on the basis of full time equivalents, was as follows:

	2025 Number	2024 Number
Trustees	<u>2</u>	<u>2</u>

10. Tangible fixed assets

	Fixtures, fittings and equipment £	Total £
Cost		
At 1st April 2024	4,203	4,203
Disposals	(260)	(260)
At 31st March 2025	<u>3,943</u>	<u>3,943</u>
Depreciation		
At 1st April 2024	1,051	1,051
Charge for the year	747	747
On disposals	(65)	(65)
At 31st March 2025	<u>1,733</u>	<u>1,733</u>
Net book values		
At 31st March 2025	<u>2,210</u>	<u>2,210</u>
At 31st March 2024	<u>3,152</u>	<u>3,152</u>

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Notes to the financial statements For the year ended 31st March 2025

11. Fixed asset investments	Other unlisted investments £	Total £
Valuation		
At 1st April 2024 and At 31st March 2025	700,000	700,000
	<u>700,000</u>	<u>700,000</u>
Historical cost as at 31st March 2025	700,000	700,000
	<u>700,000</u>	<u>700,000</u>
All fixed asset investments are held within the United Kingdom.		
Fixed asset investment represents a secured loan made to Graceworks Gardens Ltd for a period of 5 years from the 28th September 2023. The loan carries an interest rate of 5.2% per annum.		
12. Debtors	2025 £	2024 £
Prepayments and accrued income	86	428
	<u>86</u>	<u>428</u>
13. Creditors: amounts falling due within one year	2025 £	2024 £
Other creditors and accruals	2,160	3,600
	<u>2,160</u>	<u>3,600</u>
14. Analysis of net assets between funds	Unrestricted funds £	Total funds £
Fund balances at 31st March 2025 as represented by:		
Tangible fixed assets	2,210	2,210
Investment assets	700,000	700,000
Current assets	24,892	24,892
Current liabilities	(2,160)	(2,160)
	<u>724,942</u>	<u>724,942</u>

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Notes to the financial statements For the year ended 31st March 2025

15. Unrestricted funds

	At 1 April 2024 £	Incoming resources £	Outgoing resources £	At 31 March 2025 £
Unrestricted funds	<u>725,874</u>	<u>41,628</u>	<u>(42,560)</u>	<u>724,942</u>