
Race Equality Foundation

Annual Report and Financial Statements

31 March 2021

Company Limited by Guarantee

Registration Number 03121679 (England and Wales)

Charity Registration Number 1051096

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Reference and administrative details of the charity, its Management Committee and its advisers

Status	The organisation is a charitable company limited by guarantee registered as a charity on 29 November 1995, and incorporated on 20 March 1997.
Management Committee	C Pennie – Trustee and Chair J Lane – Trustee and Vice Chair R Karim – Trustee and Company Secretary J Dumont-Barter – Trustee J Jean-Jacques – Trustee (Resigned 22 July 2021) A Chowdry – Trustee and Company Secretary C Farquharson – Trustee T Gill – Trustee and Treasurer G Randhawa – Trustee M Owusu – Trustee
Registered office and operational address	Unit 17 Deane House Studios 27 Greenwood Place London NW5 1LB
Company registration number	03121679 (England and Wales)
Charity registration number	1051096
Auditor	McBrides Accountants LLP Nexus House 2 Cray Road Sidcup Kent DA14 5DA
Actuaries	Barnett Waddingham LLP

Report of the Management Committee

The Management Committee presents its report and the audited financial statements for year ended 31 March 2021.

The report has been prepared in accordance with Part XV of the Companies Act 2006 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with our governing document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and applicable company and charity law in the UK. The accounting policies adopted are set out in the notes to the financial statements. Figures are prepared using the historical cost convention, with the exception of the defined benefit pension fund liability which is recorded as the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The Foundation's financial statements are prepared on the basis that it is a going concern. In light of the current COVID-19 pandemic, the Foundation is in the fortunate position of working with public sector organisations to which the Government has issued Procurement Policy Notices providing guidance for these bodies to support suppliers through the coronavirus outbreak. At the same time the Foundation has worked hard to seek and secure new funders. However, the trustees continue to maintain a policy of cost containment whilst seeking to increase revenue.

Introduction

Race Equality Foundation is constituted as a company limited by guarantee (Company Registration No. 03121679 (England and Wales)) and is governed by its Memorandum and Articles of Association. Race Equality Foundation is a registered charity (Charity Registration No. 1051096).

Mission, policies and public benefit

Race Equality Foundation's charitable objects are: "to promote good race relations and to endeavour to eliminate discrimination on grounds of race, thereby encouraging equality of opportunity between different racial groups, with particular reference to the delivery of social work and social care services".

Based on our charitable objects the overall aim of Race Equality Foundation is to promote race equality in social support (what friends and families do for each other) and public services (often services designed to support people in need of support).

In order to achieve our aim we work with a wide range of service providers in order to challenge racism and other forms of discrimination particularly in the treatment of black and minority ethnic communities and in the treatment of those who use services. We identify barriers to participation of these communities and provide ideas for better practice with black and minority ethnic communities in general and service users in particular.

The Management Committee has referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Committee has considered how planned activities will contribute to the aims and objectives they have set.

Governance, structure and management

Governance

Trustees on the Management Committee constitute directors of the charitable company for the purposes of company law and trustees for the purposes of charity law.

Trustees on the Management Committee are elected by the members at the Annual General Meeting.

The names of those members of the Management Committee who served during the year and were in office at 31 March 2021 are set out on page 1 of this annual report and accounts.

Members of the Management Committee had no beneficial interest in any contract with the charitable company.

No member of the Management Committee received any remuneration for his or her services during the year. Members were reimbursed travel & subsistence expenses incurred in the performance of their duties totalling £Nil (2020: £637). Trustee indemnity insurance of £100,000 (2020: £100,000) has been obtained during the year. This indemnity is now provided as part of a comprehensive "Charity and Community" insurance policy with no separate premium quoted for this element.

Responsibilities of the Management Committee in relation to the financial statements

The trustees (who are also directors of Race Equality Foundation for the purposes of company law) are responsible for preparing the Report of the Management Committee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each financial year which give a true and fair view of the state of the 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 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;
- 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor/independent examiner is aware of that information.

Structure and management reporting

Appointment of trustees

As set out in the Articles of Association the directors whose number shall be between three and eight are appointed from the charity's members. During 2019/20 we established a complement of eight trustees including the Chair. Currently, we have nine individuals serving as trustees to enable a period of transition to enable long serving trustees to resign.

New trustees are elected by existing trustees, and serve for a minimum of three years and a maximum of six years. The longest serving members stand down after two terms in office but can be re-elected if there are insufficient members or they fill an identifiable gap. The trustees have the power to fill casual vacancies or to appoint additional trustees to reach the maximum number.

New trustees are appointed when a vacancy arises due to (a) resignation of an existing trustee or (b) when a trustee's term of office has come to an end. Criteria used to identify and appoint new trustees include: specific skills that fill gaps where there is a skills shortage amongst existing members and under-represented groups.

The Foundation's management committee is made up of Trustees as well as members who are there in an advisory capacity. The reason for operating the dual membership of the management committee is three fold. First, the Foundation recognises that not everyone will want to commit to trustee and director responsibilities as set out in Charity and Company legislation but will have a commitment to the issues addressed by the Foundation and therefore have an interest in being involved with the Foundation. Second, if the number of trustees has reached the maximum agreed in the Memorandum and Articles or if existing trustees are of the view that the number of trustees is adequate at any one time, then trustees can decide not to increase the number of trustees. Third, where new members join the Foundation's management committee, trustees may decide that a new member should spend time on the committee in an advisory capacity and learn about the role of trustees before any decision is made about changing their status to one of trustee.

It is worth stating: whilst there are differences in the role and responsibilities of trustees and other committee members based on statutory requirements, all committee members are expected to make a commitment to Foundation and to provide it with strategic direction. However, it is worth clarifying that there are certain decisions only trustees can take and in this context, only trustees have voting rights for those decisions.

During 2020/21 ten trustees and one non-trustee member formed the management committee.

Trustee induction and training

As part of the induction process, all new trustees are given written information about being a trustee, including: roles and responsibilities; expectations and commitment. New trustees also receive: the organisation's most recent Annual Report and Accounts, Equal Opportunities Policy and Child Protection Policy. Part of the induction process also includes new members attending one management committee meeting as an observer, following which they meet with existing management committee members to clarify any questions or queries. New members also meet with senior staff and have the opportunity to meet with all staff in the organisation.

Organisation

The Management Committee is ultimately responsible for the charity and meets five times a year to consider developments and make decisions regarding strategy and other important matters. During the early months of the COVID-19 pandemic, however, the committee monitored developments through fortnightly conference calls. The committee also has two sub-groups, a Finance sub-group, and an HR sub-group and these groups meet regularly.

Race Equality Foundation is managed on a day-to-day basis by the Chief Executive. The Chief Executive reports regularly to the Chair.

Race Equality Foundation's activities are administered and co-ordinated from its premises at Unit 17 Deane House Studios, 27 Greenwood Place, London, NW5 1LB.

Risk management

Race Equality Foundation has a risk management policy/procedure that makes clear that trustees and senior managers will endeavour to understand the nature and magnitude of key tasks and opportunities involved in taking important decisions and avoid situations that might seriously threaten the ability of Race Equality Foundation to meet its goals. The main goals of the risk management policy and procedure are to:

- Deliver;
- Grow;
- Secure financial stability and capability;
- Ensure health, safety and security of employees; and
- Enhance the reputation and professional integrity of the organisation.

In line with this we have a comprehensive risk management policy and procedures covering the following:

- Governance;
- Finance;
- Organisational and human factors;
- Operations;
- Political/Social factors;
- Legal and regulatory; and
- Environmental factors/Acts of God.

It is worth emphasising that, in relation to finances, the policies and procedures for the assessment and management of risk identify a number of possible financial risks for the organisation. The risks include: income not reaching expected levels; pension liabilities; possible staff redundancies and costs associated therewith.

In 2020/21 the Foundation saw further changes with the departure of one trustee (Jenny Jean-Jacques). However, the pressures of the COVID-19 pandemic did not allow for other changes to take place. We do hope to progress these in 2021-22

Liability of members

Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up.

Organisational Activities 2020-21

To deliver our mission of promoting race equality we have organised our work under three objectives. Under objective 1 - exploring what is known about discrimination and disadvantage, our

activities included: Health and Wellbeing Alliance; the response to COVID-19; a review of S117 Personal Health Budgets; Parental conflict project; Giving voice to children in family work – Collaborative PhD with Sheffield University; SFSC Randomised Control Trial – Collaboration with University College London, Imperial College London, Cambridge University, Bristol University and Middlesex University.

Under Objective 2 - developing evidenced-based better practice to promote equality, activities included: Health and Wellbeing Alliance; the response to COVID-19; a review of S117 Personal Health Budgets; Strengthening Families Strengthening Communities (SFSC) training and support; Parental conflict project; SFSC Islington; SFSC Waltham Forest; SFSC Westminster; and Giving voice to children in family work – Collaborative PhD with Sheffield University.

Under Objective 3 - disseminating better practice through educational activities, conferences, written material and websites, activities included: Health and Wellbeing Alliance; the response to COVID-19; National BAME Transplant Alliance (NBTA); a review of S117 Personal Health Budgets; Parental conflict project; Strengthening Families Strengthening Communities training and support;; SFSC Islington; SFSC Waltham Forest; SFSC Westminster; and Cookham Wood Young Offenders Institution.

The multi-faceted nature of many of the activities mean that they often help better understand the evidence of discrimination and disadvantage, inform the development of better policy and practice as well as aiding dissemination of better practice.

Following the continued disruption from the coronavirus pandemic and subsequent “lockdown” policies throughout 2020 and 2021, the Foundation has developed innovative ways using current technology to deliver its programmes during the pandemic.

Health and care

As a member of the Health and Wellbeing Alliance we worked with NHS England, Public Health England (“PHE”) and the Department of Health to improve outcomes and reduce inequalities for black and minority ethnic people, particularly through partnership with voluntary sector organisations across England. We attempted to influence the health and care systems to embed reduction of race inequalities into services. This included participating in the Productive Healthy Ageing Advisory Group and Dementia Programme Board and Champions group.

We have continued to participate in a range of advisory and task and finish groups, including taking-up the invitation to join the Department of Health and Social Care (“DHSC”)-led Learning Disability and Autism Advisory Group, which saw us suggest a revision to the terms of reference at the first meeting. We also continue to take forward work from the Adult Social Taskforce’s report as well as the specific work of the Mental Health sub-group. In terms of the Mental Health Sub-group, we proposed that if we’re to have real impact in improving the workforce’s ability to address health inequalities we need to adopt development processes such as action learning sets. On publication of the White Paper: Reforming the Mental Health Act, we [produced a briefing](#). This was widely distributed, including by the National Survivor User Network (“NSUN”), and we called on Voluntary, Community and Social Enterprise (“VCSE”) organisations to respond to the call for comments.

We were also involved in a multiple groups addressing the response to COVID-19. This has included meeting with the newly appointed Director for Health Inequalities at NHS England and NHS Improvement. After a wide-ranging discussion we were asked to write identifying what we saw as the priorities for action to improve health experiences and outcomes for Black, Asian and Minority Ethnic communities. We subsequently produced a two-page evidenced letter, drawing on our work.

In response the Director acknowledged the quality of our letter and noted that she was now going to share it with her newly established Health Inequalities Improvement Network of National Clinical Directors, National Specialty Advisors - essentially clinical and professional leaders in the health inequalities space.

COVID-19 response

The coronavirus pandemic and its direct and indirect impacts were the most pressing health emergency facing Black, Asian and minority ethnic communities throughout this year. The Foundation responded to this challenge through incorporating our response into our project delivery and adapting our practice.

The Foundation produced analysis and resources highlighting the risk and protective factors for Black, Asian and minority ethnic people contracting COVID-19 and the direct and indirect impacts of the pandemic, along with suggested actions from the NHS, Local Government, national government, and the voluntary sector for immediate action and longer-term recovery. Many of these were produced as part of a set of collaborations to develop an evidence-led narrative and make practical recommendations to better ensure that the recovery phase from COVID-19 in the UK addresses racial inequity.

The [covid-19 briefings](#) are available online and cover:

- Disability
- Education
- Children and families
- Mental health and wellbeing
- Housing
- Employment
- Older people
- Long-term conditions
- The COVID-19 vaccination programme

Our work on this was particularly welcomed by NHS England and Public Health England, who involved the Foundation in the discussions around disproportionate deaths of Black, Asian and minority ethnic people from COVID-19 and the subsequent Health Inequalities Taskforce.

Our response has also adapted through the different stages of the pandemic, with the Foundation placing a greater focus on vaccine roll-outs from the start of 2021, including sharing NHS and PHE produced information resources with VCSE colleagues as well as promoting the local vaccine related events organised by VCSE colleagues (such as those organised by Caribbean and African Health Network and Croydon BME Forum).

We also advocated around the continuing failure to publish data on vaccinations by ethnicity and noted that the absence of this data meant that the media and others were incorrectly using data, such as the OpenSAFELY study, as evidence of 'take-up' and concluding that it demonstrated 'vaccine hesitancy' was more prevalent amongst BAME communities. As importantly, it was not possible to tell whether the significant effort by Government and VCSE sector to answer questions and dispel misinformation was having an impact or not. The Foundation continues to lobby colleagues at DHSC and NHS England on this subject, and we produced a briefing on COVID vaccine distribution and the priority groups.

Review of Personal Health Budgets and s117 Care

NHS England want a significant shift to personalised care and this has great potential to improve the quality and outcomes of care for Black, Asian and minority ethnic people and communities, whose needs often fail to be met by mainstream generalised services. The Foundation continued the second phase of its work in this area in 2020-21, following on from our work in 2020 where we worked with NSUN to bring together the evidence in this area and discuss it and the personal experiences of a group of Black, Asian and minority ethnic service users.

Phase 2 built on this work by informing the design and focus of a series of semi-structured interviews with service users. The main focus of the Phase 2 interviews was to address the comments and suggestions made during the previous phase and compare the views of different people with lived experience of similar services in different geographic locations. The lockdown restrictions meant that face-to-face conversation in a familiar place was not an available option, despite this being the preference of most lived experience participants. During each of the discussions, the impact of COVID-19 on mental health and daily living were highlighted.

The work found that, when they worked well, personal budgets could be transformative in providing agency to service users, empowering people to use to manage their care to the best of their ability, but also to challenge the support options that are available to them if they are not content with what is offered. However, the work highlighted a range of challenges that services need to meet in order for them to deliver good quality personal health budgets, such as strong community engagement, listening to service users, and communicating well.

Dementia Project

The Foundation continued to work on dementia, with the focus shifting to help those affected by the COVID-19 pandemic. This project had five key outcomes: Telephone and online support for people affected by dementia who are concerned about COVID-19; Advocacy support and liaison on behalf of people affected by dementia and COVID-19; Telephone and online information to organisations wanting to know how their staff, customers, volunteers, students, etc. can support people affected by dementia from BAME backgrounds who are concerned about COVID-19; practical support, including volunteers, to collect and deliver essential supplies to people affected by dementia and social restrictions such as 'shielding'; and producing a national resource of written, spoken and video translations of latest guidance and communication.

The project worked with 21 community organisations representing Pakistani, African Caribbean, African, Irish, Indian, Bangladeshi, Somali, Chinese, Polish and Lithuanian ethnic groups, with a total reach of 21,203 people in four months. There was a diverse geographical reach, with the project partners working across urban and rural area, contacting people who had become severely isolated during the COVID-19 pandemic. The advocacy services supported both service users and carers, and case studies were compiled to enable organisations to talk to services about the changes that are needed. Project partners also developed a range of online services ranging from reminiscence therapies to podcasts in order to continue to meet the needs of their communities.

The Foundation also translated more than 14 distinct pieces of information and guidance around dementia and COVID-19 into written resources in 10 community languages including: Arabic, Bengali, Chinese, Gujarati, Kurdish, Punjabi, Portuguese, Polish, Somali and Urdu – with most of these also recorded as audio resources too.

Parental Conflict Project

The Foundation worked with the Association of Mental Health Providers and Men's Health Forum to produce a learning resource for public health nurses and other professionals working with families. The aim is to reduce the negative impact of parental conflict on children and young people. The Foundation engaged with people and organisations to share their knowledge, experience and understanding including first person accounts about parental conflict from people with experience of living and working with this issue as well as from young people. The resource included information about strategies and interventions that have been put into practice, and how effective they have been.

NBTA

We continue to provide Secretariat support to the National, Black, Asian, Mixed Race and Minority Ethnic Transplant Alliance (NBTA) who work on addressing inequalities in organ, blood and stem cell donation and transplantation issues. The past year has seen proactive work by individual members around vaccine hesitancy, addressing donation issues due to COVID-19 and lockdown measures, supporting communities, and events reflecting on progress since the anniversary of the 'deemed consent' for organ donation was implemented in May 2019.

NBTA continues to work with NHS Blood and Transfusion ("NHSBT") and has put in place a partnership agreement between the two organisations with NBTA acting as a 'critical friend' and assisting NHSBT with its reach into the black, Asian and minority ethnic communities. NBTA have developed a three year strategy and is looking to secure funding for future work. Another trustee has also come on board.

Coalition of Race Equality Organisations (CORE)

We continue to work with our colleagues in CORE including share information with them about our work on health and care.

Strengthening Families Strengthening Communities (SFSC) Parenting Programme

SFSC is an inclusive evidence-based parenting programme, designed to promote protective factors associated with good parenting and better outcomes for children and young people, with the goal of violence-free healthy lifestyles, families and communities. It was designed originally to meet the needs of black and minority ethnic and other parents who were not engaged by the existing provision, and is now used across all communities. The programme has been delivered since 2000 through statutory, voluntary and community organisations and is now one of the leading parenting interventions in England. There are several strands to the work of SFSC: delivery and support; training; and evaluation.

The year 2020-21, which encompassed a global pandemic, impacted significantly the work of SFSC. For some part of the year any in-person group work or training was not allowed to take place, and for much of the rest of the year, school closures, local authority restrictions and health anxieties impacted the ability for programmes and training to take place. Whilst this has a very direct impact on numbers of parents receiving in-person group work and practitioners attending our core training, we did see a rapid development and expansion of online services, allowing us to continue to support vulnerable families and the practitioners that work with them.

Delivery and support

A mixture of delivery methods took place this year, this included around 52 SFSC 13 week programmes registered (although some delivered the last four or five sessions via an online meeting

platform), 88 Introduction to SFSC online group programmes, and 365 participants completing SFSC online (six session programme of individual learning and weekly facilitator led group work sessions). In total SFSC programmes were likely to have reached around 1500 parents. As in past years, the number of programmes delivered was highest in London, however SFSC was also being delivered in Bristol, Nottingham, Kirklees, Calderdale, Manchester, Hull, Hertfordshire and Luton, amongst other areas. We continued to provide intensive support for delivery in Islington, Waltham Forest, and Westminster as well as in new areas such as the City of London, Brent, Camden, Hackney and Haringey.

Training and support

We continue to train practitioners to deliver SFSC to parents but to a lesser degree due to COVID restrictions as our Core training offer requires in person delivery. In the 2020-21 financial year we trained 42 new facilitators in London and Calderdale. Importantly, the training evaluations continue to show that over 90 per of participants feel that the training met or exceeded their expectations. We also delivered three advanced facilitator course online and three courses in person, including three refresher courses attended by 41 participants.

We developed a new course and facilitator training programme which allowed facilitators to deliver a shortened introductory SFSC model. We held 36 of these training courses which were attended by 216 facilitators.

Demand for programme visits were understandably much lower this year, both due to fewer programmes but also restrictions on numbers at venues. However, we carried out 10 programme observations, 22 supervisions for pairs of facilitators, and completed four portfolio reviews with agencies delivery SFSC. In addition intensive support was given to seven agencies around delivering Introduction to SFSC online courses.

Evaluation

A large-scale four-year research study of SFSC moved into its second year. This study is funded by The National Institute for Health Research (“NIHR”) and includes a number of universities come together and is led by Professor Richard Watt at University College London. The work comprises a Randomised Control Trial, a process evaluation and an economic evaluation across 7 urban areas of England where ethnically and socially mixed communities live. Following a successful pilot stage, the main data collection phase of the study was due to start in April 2020 but was significantly impacted by the pandemic. With programmes initially stopped from running and then agencies expressing reluctance to risk a speedy return to delivery, less delivery sites than planned have taken part this year, however, follow up data was successfully captured from programmes that had taken part in this work in the previous year remotely, as well as data collection beginning in new sites in Ealing, Westminster and Calderdale. Patient and Public Involvement work also continued with online meetings replacing in person sessions.

SFSC Delivery Contracts

We have continued to hold contracts for directly commissioned delivery of SFSC, in Islington, Waltham Forest, and Westminster as well as with small projects in London Boroughs of Brent, Camden, Hackney, Haringey and Lambeth and the City of London

Our delivery work in Waltham Forest continued in 2020-21, and was adjusted numerous times during the year to take account of ever-changing circumstances. This meant that some parents ended up attending online course options whilst venues and services were closed. We were nonetheless still able to work with more parents that we agreed with our Commissioning Lead, reaching 100 parents over the course of the year. This work was commissioned through the Community Safety Team and paid for via Prevent funds from the Home Office. This work has been recommissioned for 2021-22. In addition, we delivered SFSC six week online courses to around 70 Waltham Forest Parents.

Similarly in Westminster we continued to oversee the delivery of SFSC through our support to the wider VCSE sector. This saw the delivery of four SFSC programmes delivered in person despite the COVID restrictions through organisations such as the African Development Society using a range of community-based venues including schools and community centres like Paddington Arts. We also delivered 12 Introduction to SFSC online courses and several online safety workshops. The programmes reached 152 parents with positive feedback from parents and facilitators. Westminster also took part in the Together research study this year. As was the case with Waltham Forest, successful delivery led to this programme of work being recommissioned for 2021-22.

We saw ongoing but reduced delivery in Islington with programme co-facilitation provided by the Bright Start service with three programmes commissioned for this year. Two were delivered and a third was replaced by a set of online courses. This work also supported wider borough priorities around moving families out of poverty and closer to work. A further interim contract was confirmed for 2021-22.

Several small projects involving direct SFSC delivery or support to community agencies to deliver the programme also took place this year. This included working with the Somali Youth Development Resource Centre in Camden, Potential Mentoring in Brent, Markfield Project in Haringey and African Community School in Hackney. We also worked alongside Lambeth Early Help team to focus SFSC delivery on parents of teenagers across the borough.

Public benefit

The period covering this annual report saw two internationally significant events highlighting the impact of racism and disadvantage: the COVID-19 pandemic, and the death of George Floyd and subsequent “Black Lives Matter” activism. Many organisations and institutions have been confronted with their poor record of action on race equality, and some have taken real steps to addressing those issues.

Our work shows that institutions and organisations can improve the experiences and outcomes for individuals, families and communities that experience racism and disadvantage through awareness raising, implementing better practice and embedding this through changes in policies. This process also results in a system that is transformed to better identify, listen and respond to the needs of the broader community.

In 2020-21 we, like many charitable organisations, had to step up our work at short notice in order to respond to the impact of the COVID-19 pandemic, and adjust our services at the same time. As one of the leading organisations in race equality in England, and with our specialisms on health and social care and children and families, the Foundation was called upon to support a wide range of services from the NHS to local community organisations.

Early on we raised awareness of the risks facing Black, Asian and minority ethnic communities through publication of briefing papers, blogs, electronic newsletters, online events, and through participation in a range of working groups and committees. For example we participated in the weekly Mental Health/Learning Disabilities and Autism COVID webinar which was run by NHS England's mental health 'cell' and was tasked with sharing the latest information and coordinating response with the VCSE sector to the impact of COVID on people who use mental health services.

Our work to improve practice continued throughout this time. Our project on parental conflict both built on our decades of expertise in children and families, and met a growing need from families and the services supporting them during the stressful periods of lockdown, home-schooling and financial insecurity experienced by many families.

The focus on progressing racial equality in national policies largely comprised our work on COVID-19. Within this we were able to draw attention to risk factors such as the higher prevalence of long-term conditions and higher levels of housing deprivation behind the disproportionate deaths of Black, Asian and minority ethnic people. This enabled us to repurpose and retool many of our briefings on these subjects to underline the importance of national policies to address the wider determinants of health. This will undoubtedly continue through 2021-22 as we work on the actions needed to address post-COVID-19 recovery at a societal level, particularly across health, housing, education and children and families. We were also able to build on our work on mental health and responded to the government's Mental Health Act White Paper, briefing other community organisations and partners on the key issues in the government's planned reforms.

Monitoring performance

The Foundation continues to monitor its own performance. We collect both quantitative feedback as well as qualitative. A major element in this area is the randomised control trial of the Strengthening Families, Strengthening Communities parenting programme currently being carried out by University College London.

An example of securing feedback is the roll out of our support for voluntary and community organisations that were providing support Black, Asian and Minority Ethnic people living with Dementia and their carers.

People living with dementia and their carers who have commented on their positive involvement in project activities. For example, on a trip to a National Trust park, two Caribbean older people commented, it was *'such a lovely day'*, and *'I can't hear any traffic'*. Feedback on the help Together Dementia Support provided to a South Asian gentleman involving trips to scenic places where he could admire nature, and alleviate some of the strain he was experiencing, came from his daughter; *"over the months, the trips have been great in getting my father out the house. This really has helped his mood and given him a routine as this is weekly. It has also helped me as his carer. I feel very comfortable and at ease knowing my father is picked up and dropped off at his door and there are people looking after him and I trust they are having a good day out."*

Feedback from other family carers includes, *"I believe this service should be shared for more people to access, because I am sure others like me are struggling and do not know where to turn"* (carer from the Bristol Black Carers project), and a carer involved in the Irish in Britain carers' webinar: *"I won't be able to join today. However, I do intend to watch the videos on my return with my sister in law who has an Irish mother in her 90s with dementia"*.

Some projects have completed their own evaluations which has demonstrated effective impact of the project activities on the recipients and on the wider community in raising awareness of dementia

and its impact on black and minority ethnic people and their family. For example, Bristol Black Carers 'Helping Hand with Dementia project' worked with both carers and people living with dementia providing a range of activities including meals on wheels, counselling sessions, domiciliary support, befriending support, home visits and hair maintenance. A number of case studies illustrate the impact of the project, for example, Joshua is a 60-year-old male who shares the caring responsibility for his mother with his one sister. Through counselling that addressed his experience of racism, family relationship, and how his emotions could affect his physical health and mental well-being, he was able to discuss strategies for moving forward in supporting his mother. This includes practicing conflict resolution methods, listening skills and relaxation techniques. Since attending these one-to-one sessions Joshua feels he is better able to listen better and his relationship is improving with his sister, who is now more willing to support him with the care of their mother.

Financial Review

We have noted previously that the period since 2010 has been challenging, but we approached 2020-21 with some confidence having secured a significant amount of the funding for the coming year by the time the budget was set in February 2020. However, less than a month later everything appeared to have changed with the potentially devastating impact of COVID-19 becoming clear and the announcement of a range of measures. Deeply worrying consequences for the communities that we work with and measures that had a direct impact on the work that we had planned to do in 2020-21, for example with young men in Cookham Wood Young Offenders Institution and their families.

However, as the annual report and accounts documents, the Foundation has both managed to pursue key aspects of our work, securing support for some of the most at risk as result of the pandemic, and remain financially stable. Indeed, the funding secured supported by grants obtained from the Coronavirus Job Retention Scheme ("CJRS"), enabled us to retain staff expertise and avoid possible staff redundancies. As a result, the Trustees were able to pay affected staff 100% of their contractual entitlement whereas the CJRS provided 80% or £2,500 per month for the employee's wages. The employment costs of the employees placed on furlough amounted to £57,463 versus CJRS grants received of £38,676.

A key development here was highlighting the impact of the COVID and the associated measure on people Black, Asian and minority ethnic people living with dementia and the voluntary organisations supporting them. Details are provided elsewhere, but we were able to secure over £470,000 of support for people living with dementia and the organising supporting them. This has inevitably impacted both the income and expenditure of the Foundation, with our turnover being higher than £1million for the first time in 10 years.

This stability has been added to by a further decrease in our defined benefit scheme pension liability. The actuaries annual update statement shows that our liability has been further reduced in 2020-21 from £121,000 to £52,000 as at 31 March 2021. The actuaries advise that this downward trend we have seen during the last few years has been primarily due to a very strong investment performance by the Local Government Pension Scheme. At this time of economic uncertainty we remain hopeful that we can generate sufficient funds to meet the ongoing costs of the pension scheme.

We would like to thank all our funders who include the Department of Health and Social Care, the London Boroughs of Islington, Lambeth, Lewisham, Southwark, Waltham Forest and Westminster, the City of London, as well as other local authorities such as Hertfordshire County Council.

Reserves

Race Equality Foundation reserves policy is linked to the organisation's risk policy and the creation of reserves is one course of action agreed by Trustees to mitigate financial risks. Race Equality Foundation reserves policy, therefore, has three main purposes:

1. Firstly, it is to provide a source of funding when there are short-term adverse fluctuations in income or expenditure.
2. Secondly, it is to ensure that, in the event of the possible closure of the organisation due to funding difficulties (other than short-term), the main operations of the organisation can continue for a period of time to facilitate an orderly process.
3. Thirdly, it is to ensure that, in the event of possible closure there are sufficient funds to pay the pension liability which becomes payable in the event of closure.

To achieve these aims, the Trustees have agreed to continue building reserves over the next five years.

The members of the Management Committee have examined the requirement for free reserves, those unrestricted funds not invested in tangible fixed assets or otherwise committed. The Management Committee considers that, given the nature of the charity's work, the level of free reserves should be equivalent to approximately three month's operational expenditure, currently £150,000. Unrestricted reserves as at 31 March 2021 were approximately £229,000, net of the investment in tangible fixed assets and after deducting the pension scheme liability. However, whilst the 31 March 2021 level exceeds the desired operational buffer, the significant risk associated with the LGPS, over which we have almost no control, persuades us to continue the policy of building reserves where possible.

In addition, approximately £60,000 of funds received for expenditure on the Foundation's charitable purposes had not been spent by 31 March 2021 and were consequently carried forward.

Plans for future periods

The considerable upheaval during 2020-21 is likely to continue into 2021-22 with the ongoing impact of the pandemic and the associated measures. Our plans will involve continuing to highlight the impact of the pandemic in terms of racial equality at the same time as promoting steps to address any inequality.

At the same time we will work to ensure that the period of recovery also addresses the longer term issues on the comparatively poorer experiences of health and care for Black, Asian and minority ethnic communities. This will be combined with building on our successes with Strengthening Families, Strengthening Communities parenting programme, including reaching out to new areas with the programme and with new cohorts of parents, such as parents in the criminal justice system. In addition, we will continue to build evidence on the efficacy of SFSC programme with the main phased of the randomised control trial implemented.

This will have to be accompanied by improving our fundraising, whilst keeping close control of our expenditure.

Statement of Trustees' Responsibilities

The trustees (who are also the directors for the purpose of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Approved and authorised for distribution, by the Management Committee and signed on its behalf by:

A handwritten signature in black ink that reads "Constantia Pennie". The signature is written in a cursive, slightly slanted style.

Constantia Pennie, Chair

Approved on: 14 October 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RACE EQUALITY FOUNDATION

Opinion

We have audited the financial statements of Race Equality Foundation (the 'charitable company') for the year ended 31 March 2021 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 company law purposes, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

- adequate 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

Responsibilities of trustees

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

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Employment law and Pensions legislation.
- It is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

Audit report
For the year ending 31 March 2021

Use of our 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....

Andrew Warren (Senior Statutory Auditor)

For and on behalf of McBrides Accounts LLP, Statutory Auditor

Date: 22/10/21
.....

Statement of Financial Activities
For the year ending 31 March 2021
(Including the Income and Expenditure Account)

	Notes	Restricted funds £	Unrestricted funds £	2021 Total funds £	2020 Total funds £
Income					
Donations and legacies - Donations			21,082	21,082	-
Income from charitable activities					
- Promoting good race relations	2	1,092,934	144,096	1,237,030	934,961
- Coronavirus job retention scheme	6	-	38,676	38,676	
Investment income		-	205	205	-
Total income		1,092,934	204,059	1,296,993	934,961
Expenditure					
Expenditure on charitable activities					
- Promoting good race relations	3	1,039,128	141,111	1,180,239	922,448
Total expenditure		1,039,128	141,111	1,180,239	922,448
Net income for the year		53,806	62,948	116,754	12,513
Transfer of funds		6,336	(6,336)	-	-
Other recognised gains and losses:					
- Re-measurement of the pension fund net defined liability					
- Change in financial assumptions		-	(799,000)	(799,000)	451,000
- Return on plan assets excluding interest income		-	885,000	885,000	(269,000)
Net income and net movement in funds for the year		60,142	142,612	202,754	194,513
Fund balances brought forward		-	87,944	87,944	(106,569)
Fund balances carried forward		60,142	230,556	290,698	87,944

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The accounting policies and notes on pages 23 to 34 form a part of these financial statements.

Balance sheet
As at 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	9		1,370		327
Current assets					
Debtors	10	126,233		106,278	
Cash at bank and in hand		460,953		233,822	
Total Current Assets		587,186		340,100	
Liabilities					
Creditors falling due within one year	11	(245,858)		(131,483)	
Net Current Assets			341,328		208,617
Total assets less current liabilities			342,698		208,944
Creditors falling due after more than one year					
- Pension liability			(52,000)		(121,000)
Total Net Assets/(Liabilities)			290,698		87,944
The funds of the charity					
Restricted income funds	12		60,142		-
Unrestricted income funds					
- General fund	12		282,556		208,944
- Pension reserve	14		(52,000)		(121,000)
Total Funds/(Deficit)			290,698		87,944

The accounting policies and notes on pages 23 to 34 form a part of these financial statements.

These accounts have been prepared in accordance with the special provisions of Part XV of the Companies Act 2006 relating to small companies.

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

Approved and authorised for distribution, by the Management Committee and signed on its behalf by:



Tajinder Gill, Treasurer

Approved on: 14 October 2021

Company number: 03121679

Statement of Cash Flows
For the year ending 31 March 2021

Notes	2021 £	2021 £	2020 £	2020 £
Net income/(expenditure)		116,754		12,513
Adjustments:				
- Investment income		(205)		
- Depreciation		671		327
- Pension fund		17,000		59,000
- (Increase) in debtors	(19,955)		(10,597)	
- Increase in creditors	114,375	94,420	10,983	386
Net cash generated by operating activities		228,640		72,226
Cash provided/(used) by investing activities				
- Investment income		205		-
- Capital expenditure		(1,714)		-
Increase in cash and cash equivalents in the year		227,131		72,226
Cash and cash equivalents at the beginning of the year		233,822		161,596
Cash and cash equivalents at the end of the year		460,953		233,822
Cash on deposit (less than 3 months)		458,510		226,136
Cash on current account and in hand		2,443		7,686
Total cash and cash equivalents		460,953		233,822

Notes to the Financial Statements

Legal status

The Foundation is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

1. Accounting policies

Basis of financial statements

The financial statements are 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 (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements are presented in sterling, which is also the functional currency of the charitable company. The financial statements are presented to the nearest £1.

Race Equality Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

It is the opinion of the Trustees that the use of the going concern basis of accounting is appropriate because:

- ◆ there are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the charitable Company to continue as a going concern;
- ◆ there is reasonable expectation that the charitable Company has adequate resources to continue in operational existence for the foreseeable future.

Income recognition

Income is recognised in the period in which the charity has entitlement, it is probable that the income will be received, and the amount of the income receivable can be measured with reasonable certainty.

Income from grants and service agreements, including capital grants, is included in income when these are receivable, except as follows:

- ◆ When funders specify that grants and monies given to the charity must be used in future accounting periods, the income is deferred to those periods.
- ◆ When funders impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in income until the pre-conditions for use have been met.
- ◆ When funders specify that grants and similar monies, including capital grants, are for particular purposes, which do not amount to pre-conditions regarding entitlement, the income is included in income as restricted funds when receivable.
- ◆ For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted; the estate has been finalised and notification has been made by the executor(s) to the Foundation that a distribution will be made; or when a distribution is received from the estate.
- ◆ Donated services are accounted for as income, with an equivalent amount accounted for as resources expended, when the value of services is material.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably and includes any attributable VAT.

Notes to the Financial Statements

Expenditure (continued)

Expenditure is classified under the following activity headings:

- ◆ The costs of generating funds include the salaries, direct costs and overheads associated with generating voluntary income.
- ◆ The costs of charitable activities comprise expenditure on the charity's primary charitable purposes of promoting good race relations and, therefore, endeavouring to eliminate discrimination on the grounds of race.
- ◆ Governance costs are the costs associated with the governance arrangements of the charity including audit/independent examination costs and the necessary legal procedures for compliance with statutory requirements.
- ◆ Direct costs include the costs of printing materials expensed as incurred. No account is taken of any stock which exists at period end.

Certain costs, including central functions have been apportioned between the above headings using bases consistent with the use of resources, mainly on the basis of project staff costs.

Tangible fixed assets

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- ◆ Leasehold improvements: 20% per annum;
- ◆ Computer equipment 33% of cost and fixtures & fittings 25% per annum on reducing balance method;
- ◆ Office equipment and restricted fund equipment: 20 - 25% per annum on reducing balance method

Fund accounting

Funds held by the charity are as follows:

- ◆ Unrestricted funds comprise those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the Management Committee.
- ◆ Restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Further explanation of the nature and purpose of each of the restricted funds is included in the notes to the accounts.

Leased assets

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

Pension costs

The charity contributes to the Local Government Pension Scheme ("LGPS") a multi-employer defined benefit pension scheme, providing benefits based on final pensionable pay for certain employees. LGPS is administered by Essex County Council in accordance with the Local Government Pension Scheme Regulations 2013. The assets of the scheme are held and managed separately from those of the charity. An actuarial valuation of the scheme is obtained triennially and is updated, using a roll forward approach, at each reporting date.

The expected cost of providing pensions, as calculated annually by professionally qualified actuaries, is charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the charity. Cash contributions are determined by the actuaries and agreed with the trustees at each triennial valuation in order to fund the scheme over the next three years and are expressed as a percentage of current and expected future pensionable payroll.

Notes to the Financial Statements

Pension costs (continued)

In accordance with FRS 102, the following elements are reported in the Statement of Financial Activities:

- i. the service costs of pension provision relating to the period, together with the cost of any benefits relating to past service (allocated to staff costs);
- ii. the net interest, which is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets, is recognised as a finance cost; and
- iii. actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as "Re-measurement of the pension fund net defined liability".

The liability recognised in the balance sheet in respect of the defined benefit plan is the Foundation's share of the present value of the defined benefit obligation less the fair value of the plan assets as determined by the actuaries at the reporting date.

For certain employees, the charity contributes to the NEST defined contribution workplace pension scheme.

Stock

Costs of facilitators and parent manuals are expensed as incurred.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments except for the pension liability (see above and note 14). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Trade and other debtors are recognised at the settlement amount due. Expenditure that may benefit a period of time is measured on a time apportionment basis and classified as a prepayment.

Creditors

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

Cash at bank and in hand

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

Foreign currencies

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

Key judgements and estimations

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There is a significant risk of material adjustment in respect of the £52,000 pension liability within the next reporting period due to any changes in the assumptions used (see note 14) in either the actuaries triennial or annual roll forward valuations.

Notes to the Financial Statements

2. Income from charitable activities	Restricted funds	Unrestricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Grants				
Dept. of Health – Health and Wellbeing: Framework	89,500	-	89,500	59,998
Dept. of Health – Health and Wellbeing: Parental conflict	30,000	-	30,000	-
Dept. of Health – COVID-19: Dementia	475,030	-	475,030	-
Dept. of Health – Health and Wellbeing: Musculoskeletal	-	-	-	69,810
Dept. of Health – Health and Wellbeing: Blood pressure	-	-	-	69,950
NHS England – Learning disabilities	50,000	-	50,000	-
Lambeth, Southwark & Lewisham RISE	-	-	-	96,200
SFSC Randomised Control Trial	65,850	-	65,850	49,961
SFSC Waltham Forest	106,353	-	106,353	112,723
SFSC Westminster	85,431	-	85,431	107,161
SFSC Cookham Wood	29,555	-	29,555	45,162
SFSC City of London	25,912	-	25,912	-
SFSC - Other	75,006	-	75,006	94,261
The Health Foundation – Collaboration for Wellbeing and Health	50,297	-	50,297	-
The Baring Foundation – Inclusion in Arts and Mental Health activities	10,000	-	10,000	-
Other income				
SFSC Training and reference material	-	88,987	88,987	151,920
Consultancy	-	55,109	55,109	77,815
	<u>1,092,934</u>	<u>144,096</u>	<u>1,237,030</u>	<u>934,961</u>
<i>2020</i>	<i>700,316</i>	<i>234,645</i>	<i>934,961</i>	

Notes to the Financial Statements

3. Expenditure on charitable activities	Central core costs (Refer to note 4) £	Staff costs (Refer to note 6) £	Direct operating costs £	2021 Total £	2020 Total £
Dept. of Health – Health and Wellbeing: Framework	15,281	71,058	3,502	89,841	60,106
Dept. of Health – Health and Wellbeing: Parental conflict	2,919	13,570	14,050	30,539	-
Dept. of Health – COVID-19: Dementia	9,014	41,914	424,225	475,153	-
Dept. of Health – Health and Wellbeing: Musculoskeletal	-	-	-	-	69,909
Dept. of Health – Health and Wellbeing: Blood pressure	-	-	-	-	70,533
NHS England – Learning disabilities	187	869	1,200	2,256	-
Lambeth, Southwark & Lewisham RISE	-	-	-	-	96,763
SFSC Randomised Control Trial	10,166	47,274	10,397	67,837	50,883
SFSC Waltham Forest	16,472	76,593	13,991	107,056	112,886
SFSC Westminster	9,368	43,561	33,827	86,756	107,851
SFSC Cookham Wood	5,253	24,427	130	29,810	45,475
SFSC City of London	2,018	9,386	15,242	26,646	-
SFSC - Other	11,738	54,580	9,017	75,335	89,633
The Health Foundation – Collaboration for Wellbeing and Health	4,679	21,759	16,681	43,119	-
The Baring Foundation – Inclusion in Arts and Mental Health activities	775	3,605	400	4,780	-
SFSC Training and reference material	-	-	21,719	21,719	101,165
Consultancy	22,356	24,908	14,665	61,929	117,244
Coronavirus Job Retention Scheme furloughed staff costs	-	57,463	-	57,463	-
	110,226	490,967	579,046	1,180,239	922,448
<i>2020</i>	<i>176,621</i>	<i>472,697</i>	<i>273,130</i>	<i>922,448</i>	

4. Support and governance costs

	2021 £	2020 £
Further analysis		
Premises costs	58,914	80,798
Communication costs	1,640	9,201
Legal and other professional fees including consultancy	11,485	9,134
Pension scheme		
- Current service cost	50,000	54,000
- Past service cost	-	31,000
- Interest cost (net of return on scheme assets)	3,000	6,000
- Contributions paid & allocated in Staff costs	(38,000)	(33,000)
- Administration expense	2,000	1,000
Office costs	18,107	15,768
Depreciation	671	327
Other costs	2,409	2,393
	110,226	176,621

The above support costs are allocated to charitable activities on the basis of project staffing costs.

Notes to the Financial Statements

5. Net income/ (expenditure) for the year

This is stated after charging:

	2021 £	2020 £
Depreciation	671	327
Governance Costs:		
- Trustees expenses	-	637
- Auditors remuneration (excluding VAT)	4,750	-
- Independent examination (excluding VAT)	-	1,700
Rentals under operating leases:		
- Property (excluding VAT)	34,787	55,258
- Equipment	399	799

6. Staff costs and numbers

Staff costs during the year were as follows:

	2021 £	2020 £
Salaries	405,426	392,559
Social security costs	36,823	37,059
Pension costs	46,303	40,297
Staff training & Welfare costs	2,415	2,782
	<u>490,967</u>	<u>472,697</u>

No employee earned over £60,000 (including taxable benefits but excluding employer pension contributions) during the year (2020 – None).

The total employee benefits of the key management personnel of the Foundation (Chief Executive Officer) were £80,691 (2020: £78,303).

The average number of employees during the year was as follows:

	2021 No	2020 No
Chief Executive Officer	1	1
Project staff	11	14
Management and administrative staff	1	1
	<u>13</u>	<u>16</u>

During the year the charity claimed the grants available under the Government's Coronavirus Job Retention Scheme of £38,676 (2020: Nil). The Trustees decided to pay the affected employees 100% of their normal contractual entitlement resulting in costs of £57,463 (2020: Nil)

7. Management Committee members' remuneration/expenses

None of the members of the Management Committee received any remuneration during the year (2020: £Nil).

During the year, travel and subsistence expenses incurred in the performance of their duties were not claimed by any trustee (2020: 5). Expenses reimbursed to the trustees amounted to £Nil (2020: £637).

Notes to the Financial Statements

8. Taxation

The Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. The Foundation is not registered for VAT.

9. Tangible fixed assets	Leasehold Improvements	Furniture & Fixtures	Plant & Machinery	Office Equipment	Restricted Fund Equipment	Total
	£	£	£	£	£	£
Cost						
At 1 April 2020	44,018	3,631	10,932	12,205	4,870	75,656
Additions	-	-	-	1,714	-	1,714
Disposals	-	-	-	-	-	-
At 31 March 2021	44,018	3,631	10,932	13,919	4,870	77,370
Depreciation						
At 1 April 2020	44,017	3,497	10,932	12,013	4,870	75,329
Charge for year	-	134	-	537	-	671
At 31 March 2021	44,017	3,631	10,932	12,550	4,870	76,000
Net book values						
At 31 March 2020	1	-	-	1,369	-	1,370
At 31 March 2021	1	134	-	192	-	327

10. Debtors	2021	2020
	£	£
Fees receivable	78,840	96,091
Prepayment and other debtors	47,393	10,187
	126,233	106,278

Included within other debtors is a rent deposit of £10,414 which might be repayable after more than one year dependent on the current negotiations with the landlord.

11. Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	39,971	15,510
Social security and other taxes	11,549	10,493
Pension contributions	5,390	4,995
Deferred income	107,494	57,316
Accruals and sundry creditors	81,454	43,169
	245,858	131,483

Notes to the Financial Statements

11a Deferred Income

	2021 £	2020 £
Deferred Income brought forward	57,316	53,875
Released to income in the year	(57,316)	(53,875)
Deferred income in the year	107,494	57,316
Deferred Income carried forward (See note 11)	107,494	57,316

12. Restricted and Unrestricted funds

During the year to 31 March 2021 the funds of the charity included restricted funds held on trusts to be applied for specific purposes. The Trustees Report contains a fuller description of the individual activities. The programmes delivered were as follows:

	At 1 April 2020 £	Income £	Expenditure £	Transfer of Funds £	At 31 March 2021 £
Revenue funding					
Dept. of Health – Health and Wellbeing (why wellbeing is relevant to health policy)	-	89,500	(89,841)	341	-
Dept. of Health – Health and Wellbeing: Parental conflict	-	30,000	(30,539)	539	-
Dept. of Health – COVID-19: Dementia	-	475,030	(475,153)	123	-
NHS England – Learning disabilities	-	50,000	(2,256)	-	47,744
SFSC Randomised Control Trial (evaluating the effectiveness of parenting programmes)	-	65,850	(67,837)	1,986	-
SFSC parenting programmes for					
- Waltham Forest	-	106,353	(107,056)	703	-
- Westminster	-	85,431	(86,756)	1,325	-
- Cookham Wood	-	29,555	(29,810)	255	-
- City of London	-	25,912	(26,646)	734	-
- Other	-	75,006	(75,335)	330	-
The Health Foundation – Collaboration for Wellbeing and Health (collective action to address the wider determinants of health)	-	50,297	(43,119)	-	7,178
The Baring Foundation (issues around the inclusion of Ethnically Diverse communities in Arts and Mental Health Activities)	-	10,000	(4,780)	-	5,220
Total restricted funds	-	1,092,934	(1,039,128)	6,336	60,142
Total unrestricted funds					
- General fund	208,944	204,059	(141,111)	10,664	282,556
- Pension reserve	(121,000)	-	86,000	(17,000)	(52,000)
Total funds	87,944	1,296,993	(1,094,239)	-	290,698

13. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total 2021 £	Total 2020 £
Fund balances at 31 March				
Are represented by:				
- Tangible fixed assets	-	1,370	1,370	327

Notes to the Financial Statements

- Current assets	60,142	527,044	587,186	340,100
- Creditors: amounts falling due within one year	-	(245,858)	(245,858)	(131,483)
- Pension liability provision	-	(52,000)	(52,000)	(121,000)
Total net assets	60,142	230,556	290,698	87,944
	2020	-	87,944	87,944

14 Pension commitments

For certain employees, Race Equality Foundation participates in a defined benefit multi-employer scheme with the assets held in a fund (Essex Pension Fund) administered by Essex County Council. The pension benefits are provided by the Local Government Pension Scheme ("LGPS"). The contributions are determined by independent qualified actuaries based on triennial valuations. The last triennial valuation was carried out as at 31 March 2019 by Barnett Waddingham LLP which determined that the charity's contribution rate should be 23.0% for the 3 years commencing 1 April 2020.

Barnett Waddingham LLP were engaged by the Trustees to assess and provide the balance sheet and funding status disclosures to be made by the Race Equality Foundation as at 31 March 2021 in respect of its pension obligations under the LGPS. This information, reported on 30th April 2021, shows a net liability of £52,000 as at 31 March 2021 (2020: £121,000).

Financial Reporting Standard 102 – Retirement Benefits

Total LGPS pension contributions charged during the year amounted to £38,000 (2020: £33,000). Contributions totalling £4,112 in respect of LGPS (2020: £3,741) were payable to the fund at the year end and are included in creditors.

The major assumptions used by Barnett Waddingham LLP were as follows:

	2021 %	2020 %
Rate of increase in salaries	3.80	2.90
Rate of increase in pensions in payment	2.80	1.90
Discount rate	2.00	2.35
Rate of inflation:		
- CPI increases	2.80	1.90
- RPI increases	3.20	2.70

The mortality assumptions used were:

	2021 Years	2020 Years
Longevity at age 65 retiring today		
- Males	21.6	21.8
- Females	23.6	23.7
Longevity at age 65 retiring in 20 years		
- Males	22.9	22.9
- Females	25.1	25.4

The estimated asset allocation in the scheme and present value of scheme liabilities were:

	2021 £000's	2020 £000's
Equities	2,666	1,979
Gilts	111	146
Other bonds	216	205
Property	307	304
Cash/temporary investments	204	141
Alternative assets	498	390
Other managed funds	312	218

Notes to the Financial Statements

Far value of scheme assets (bid value)	4,314	3,383
Present value of scheme liabilities	(4,366)	(3,504)
Net liability	(52)	(121)

14 Pension commitments (continued)

The reconciliation of opening and closing balances of the present value of the defined benefit obligation is as follows:	2021 £000's	2020 £000's
Opening defined benefit obligation	3,504	3,815
Current service cost	50	54
Past service costs *	-	31
Interest cost	82	91
Change in financial assumptions	873	(358)
Change in demographic assumptions	(37)	(25)
Experience loss/(gain) on defined benefit obligation	(37)	(36)
Estimated benefits paid (net of transfers in)	(82)	(81)
Contribution by scheme participants	13	13
Closing defined benefit obligation	4,366	3,504

* Past service costs represent the estimated effect of rectifying the discrimination identified in the policy of transitional protection that was part of the 2015 reforms to public service pension schemes which has been held to be unlawful by the Courts.

A sensitivity analysis of scheme liabilities to a change in discount rates on the defined benefit obligation and projected service cost, together with a +/- 1 year age rating adjustment to the mortality assumption is as follows:

	£000's	£000's	£000's
Adjustment to discount rate	+ 0.1%	0.0%	- 0.1%
- Present value of total obligation	4,287	4,366	4,447
- Projected service cost	67	69	71
Adjustment to life expectancy assumptions	+ 1 year	None	- 1 year
- Present value of total obligation	4,559	4,366	4,181
- Projected service cost	72	69	65
Adjustment to long term salary increase assumptions	+ 0.1%	0.0%	- 0.1%
- Present value of total obligation	4,380	4,366	4,352
- Projected service cost	69	69	69
Adjustment to pension increases and deferred revaluation	+ 0.1%	0.0%	- 0.1%
- Present value of total obligation	4,432	4,366	4,301
- Projected service cost	71	69	67

The reconciliation of fair value of scheme assets is as follows:	2021 £000's	2020 £000's
Opening fair value of scheme assets	3,383	3,571
Interest on assets	79	85
Return on assets less interest	885	(269)
Other actuarial gains/(losses)	-	32
Administration expenses	(2)	(1)
Contributions by employer including unfunded	38	33

Notes to the Financial Statements

Contributions by fund participants	13	13
Estimated benefits paid (net of transfers in and including unfunded)	(82)	(81)
Closing fair value of scheme assets	4,314	3,383

14 Pension commitments (continued)

The reconciliation of scheme assets and liabilities is as follows:	Assets £000's	Liabilities £000's	Total £000's
At 1 April 2020	3,383	(3,504)	(121)
Benefits paid	(82)	82	-
Employer contributions	38	-	38
Fund participant contributions	13	(13)	-
Current service cost	-	(50)	(50)
Past service cost	-	-	-
Administration expense	(2)	-	(2)
Interest income/(expense)	79	(82)	(3)
Re-measurement gains/(losses)			
- Change in financial assumptions	-	(873)	(873)
- Return on plan assets excluding interest income	885	-	885
Change in demographic assumptions	-	37	37
Experience gain on defined benefit obligation	-	37	37
Other actuarial gains/(losses)	-	-	-
At 31 March 2021	4,314	(4,366)	(52)

15 Financial commitments

At 31 March 2021 the charity had the following future minimum lease payments under non-cancellable operating leases for the following periods:

Payments due	Land and buildings		Other	
	2021 £	2020 £	2021 £	2020 £
Not later than one year	-	-	599	400
Later than one year and not later than five years	-	-	-	-
Total	-	-	599	400

Negotiations with the landlord are currently in progress for the continued occupation of the offices.

16 Liability of members

Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up. There are 10 members as at the current year end of 31 March 2021, and there were 11 members at the end of 2020.

17 Ultimate controlling party

In the opinion of the trustees there is no ultimate controlling party of the charity.

18 Related party transactions

There have been no related party transactions in the reporting period that require disclosure other than the reimbursement of Trustees travelling expenses (see Note 7).

Notes to the Financial Statements

19 Comparative Statement of Financial Activities (2020)

	Restricted funds	Unrestricted funds	2020 Total funds	2019 Total funds
	£	£	£	£
Income				
Income from charitable activities	700,316	234,645	934,961	722,639
Total income	700,316	234,645	934,961	722,639
Expenditure				
Expenditure on charitable activities				
- Promoting good race relations	704,039	218,409	922,448	779,277
Total expenditure	704,039	218,409	933,448	779,277
Net income/expenditure for the year	(3,723)	16,236	12,513	(56,638)
Transfer of Funds	3,723	(3,723)	-	-
Other recognised gains and losses:				
- Re-measurement of the pension fund net defined liability				
- Change in financial assumptions	-	451,000	451,000	88,000
- Return on plan assets excluding interest income	-	(269,000)	(269,000)	119,000
Net income and net movement in funds for the year	-	194,513	194,513	150,362
Fund balances brought forward	-	(106,569)	(106,569)	(256,931)
Fund balances carried forward	-	87,944	87,944	(106,569)