



Annual Report and Financial Statements

31 March 2023

Company Limited by Guarantee Registration
Number 03121679 (England and Wales)
Charity Registration Number 1051096

Report of the Management Committee for 2022-23

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Charity reference and administrative information

Legal 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	Karin Woodley CBE —Trustee and Chair (appointed 19 th May 2022) Dr Clenton Farquharson CBE —Trustee Tajinder Gill —Trustee and Treasurer Professor Gurch Randhawa —Trustee Melvina Woode Owusu —Trustee Reena Anand —Trustee (appointed 19 th May 2022) Professor Jagbi Jutti-Johal —Trustee (appointed 19 th May 2022) Patricia Lawson —Trustee (appointed 19 th May 2022) Donald Mbeutcha —Trustee (appointed 19 th May 2022) Amanda Pinto KC —Trustee (appointed 19 th May 2022) Constantia Pennie —Trustee and Chair (stood down 20 th July 2022) Jane Lane —Trustee and Vice Chair (stood down 20 th July 2022) Razia Karim —Trustee and Company Secretary (stood down 20 th July 2022) Judi Dumont-Barter —Trustee (stood down 20 th July 2022) Abdul Chowdry —Trustee and Company Secretary (stood down 20 th July 2022)
Chief Executive	Jabeer Butt OBE
Registered office and operational address	Unit 17 Deane House Studios, 27 Greenwood Place London NWS 1LB
Company registration number	03121679 (England and Wales)
Charity registration number	1051096
Auditors	McBrides Accountants LLP
Actuaries	Barnett Waddingham LLP
Bankers	Barclays Bank PLC

Welcome

As we emerged from the disproportionate impact of the Covid-19 pandemic, Black, Asian and minority ethnic individuals, their families and communities found themselves at the sharp end of the soaring cost of living, and the developing global economic and climate crises. In this context, our work to tackle race inequality in the UK was as important as ever.

During 2022-23 we continued to successfully:

- Explore what is known about, and the effects of, race inequity through research intended to identify oppressive structures and practices and develop change making interventions.
- Develop evidenced-based and transformational practice and policy to embed race equality strategies in public services.
- Convene national cross sector partnerships to create the conditions for system change and identify the ways in which those systems could be improved.
- Put theory into practice by delivering place-based frontline projects that demonstrate how new ways of working can deliver positive outcomes for our communities.
- Deliver thought-leadership and influence public service systems through public relations, educational activities, conferences, written material, and online knowledge exchange activities.
- Support and collaborate with Black, Asian and minority ethnic-led organisations throughout the UK to gather evidence of systemic racism, develop strategies to address its impacts, and increase the reach and impact of their work.

Despite an operating and funding environment that was also challenging, we stabilised our financial position, expanded our reach and impact, and grew our staff team during the year. We were also extremely fortunate to recruit seven new trustees who have brought a diversity of new knowledge and skills to enhance our governance and strategic planning processes.

Some of the year's highlights have been:

- The release of six key reports covering racial inequality in health, social care and wellbeing.
- Major success in working as part of the Voluntary Community and Social Enterprise Health and Wellbeing Alliance – a partnership between the sector and the health and care system. We successfully put equality issues on the agenda during a period of rapid change in health care, but also amplified the voices of others within our network and most importantly, the voices of people with lived experience.
- The increased delivery and development of our pioneering and evidence-based parenting programme, Strengthening Families Strengthening Communities (SFSC), including our partnership work with UCL to explore the needs of young Black, Asian and minority ethnic fathers in prison, and to develop the SFSC model to meet these.

We particularly want to thank the dedicated trustees who stood down in the year: Constantia (Pennie) Pennie, Jane Lane, Razia Karim, Judi Dumont-Barter, and Abdul Chowdry. Their contribution to our development cannot be understated and we have been privileged to work with them. Very special thanks go to Constantia Pennie and Jane Lane who had served as Chair and Vice Chair respectively from 2015.

Our work also relies on the drive, resilience and activism of our staff, volunteers, partners, and funders - the struggle against the oppressive effects of systemic racism is a collective process and we could not do it without each and every one of them.

Karin Woodley CBE (Chair) and Jabeer Butt OBE (Chief Executive)

Our aims and objectives

Vision: We have a vision of a society without racism.

Mission: We aim to tackle racism in UK society and positively transform the lives of Black, Asian and ethnically minoritised communities.

Strategic priorities

1. Evidence

To generate and share evidence and best practice of what works to dismantle systemic racism, always through the lens of intersectionality

2. Influence

To influence policy makers, decision makers and practitioners to drive systemic change

3. Collaboration

To convene partnerships and networks, trial new ways of working, and support our communities to tackle racism

Our activities

Our work involves:

1. Bringing our communities and cross-sector partners together to:

- Share ideas and evidence that identifies the structural and behavioural issues that perpetuate systemic racism
- Support them to navigate and challenge oppressive systems and cultures

2. Gathering data and undertaking qualitative and quantitative research that helps us to:

- Identify ways in which systemic racism impacts the people in our communities
- Co-produce what works, with whom and why, to share best practice with policy makers and commissioners

3. Thought leadership and knowledge exchange that:

- Offers rigorous analysis and constructive challenge
- Influences public sector policy makers to dismantle the societal structures that sustain systemic racism and to ensure that policy and practice do not continue to amplify the negative impacts of inequality
- Promotes public knowledge sharing and evidence exchange that will positively impact our communities

4. Frontline intervention and direct support to:

- Address the impacts of racial inequalities already experienced in society
- Develop the skills and capacity of frontline practitioners working in our communities
- Develop models of better practice

History: We were established as the National Institute for Social Work's Race Equality Unit in 1987, became an independent, national, and Black, Asian and ethnically minoritised led charity in 1995, and changed our name to the Race Equality Foundation in 2006.

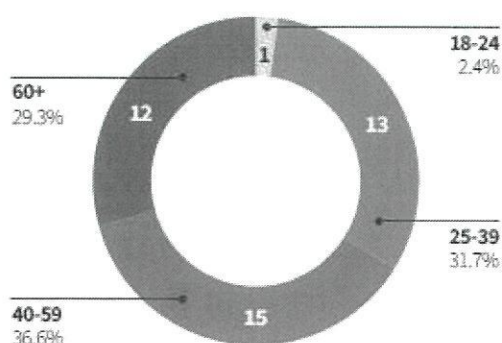
Our achievements during the year

Reach

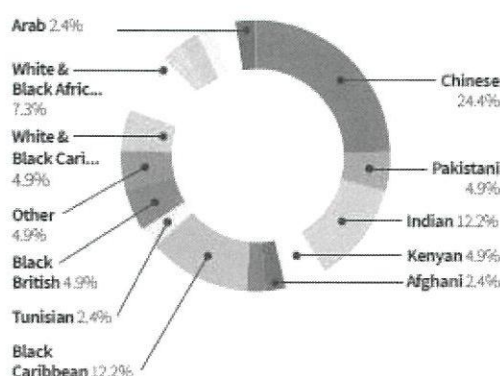
We worked across the UK, including: Barking and Dagenham; Bexley; Bromley, Birmingham; Blackburn with Darwen; Brent; Bristol; Calderdale; Camden; Ealing; Enfield; Greenwich; Hackney; Halifax; Hammersmith and Fulham; Haringey; Islington; Kirklees; Lambeth; Leeds; Lewisham; Manchester; Northumberland; Preston; Sandwell; Sheffield; Southwark; Tees, Esk and Wear Valleys; Tower Hamlets; Waltham Forest; Wandsworth; and Westminster.

A key aspect of our work has been our success in engaging diverse communities in the work we do. One illustration of this was our Wellcome Trust funded study on recording of ethnicity in health data. We carried out focus groups with community participants and the charts below summarise some of their characteristics:

Community participants: Age



Community participants: Ethnicity



Summary of our work on evidence, thought leadership and delivery

- We produced the report 'Improving the recording of ethnicity in health data sets' and published it in January 2023. We also held a successful online seminar with over 120 attendees to disseminate the findings of the report.
<https://raceequalityfoundation.org.uk/projects/recording-of-ethnicity-project/>
- With the Early Intervention Foundation, we produced the **SpeakOut** report and a website – a collaborative work commissioned by the Early Intervention Foundation to review family support for Black, Asian and Minority Ethnic families. <https://speakout.family/>
- We completed research work and briefing paper on **race equality and autism**. We will start a further commission in April 2023 – 2024 to produce a short film with key messages from the research; co-chair the autism and race equality network meetings developed because of the earlier work, and present and facilitate at an autism and race equality event in summer 2023.
- We supported the recruitment of Black, Asian and Minority ethnic participants for the **Virus Watch** study, one of the largest Black Asian and minority ethnic samples in any study of COVID-19 in England. We supported the analysis of the data, and helped produce several papers, including one on the attitudes to the take-up of the COVID vaccines with Jabeer Butt as co-author. Publication of the report and accompanying testimonial films due later in 2023.
- We reviewed existing resources on racism and race equality, and developed a trainer programme with guide materials, for the Inclusive Workforce Programme. Feedback from Rethink who subsequently delivered the programme: *'It went really well, people responded well, and we had some good discussions. I think it's a good package.'*
- We collaborated with Smart Health Solutions, Younger Lives and Blood Pressure UK to develop and trial an approach that used digital tools and training of nurses to increase and improve the monitoring of blood pressure amongst people of African and Caribbean background.
- We collaborated on Health inequalities and people with learning disabilities research led by University of Central Lancashire, Manchester Metropolitan University and Learning Disability

England. We undertook a systematic review of literature on health inequalities experienced by Black, Asian and Minority Ethnic people with a learning disability; carried out four workshops, focusing on the themes from the systematic review and whether participants recognise them and how significant they are; and produced a draft report into our findings for the Race Health Observatory. Further reports and a video on the findings of the report will be published later in 2023.

- We worked with Mosac and Ministry of Justice (MOJ) on understanding how minoritised parents experience the presumption of parental involvement. We interviewed parents and held sessions to feedback findings from the research to parents. We produced a draft report for the MOJ.

Our evidence-based policy and practice work involved:

- **Health and Wellbeing Alliance**
We collaborated with NHS England, the UK Health Security Agency, and the Department of Health and Social Care to promote the integration of efforts to decrease racial inequalities into health and care services. Our goal was to enhance outcomes and diminish disparities for Black and minority ethnic people.

Each quarter we submit quarterly slides which get assessed by the HWA team (NHS, DHSC, UKHSA), for all four quarters we achieved a 'green' rating, receiving positive feedback on our effort and the work being carried out. Our involvement in two subgroups, has meant we have been able to provide feedback directly to policy teams. The Foundation has inputted into several joint HWA documents, for example on the cost-of-living crisis, which ensures racial inequality is considered and highlighted. We use our social media platforms to promote other HWA members work and research opportunities, this ensures other core work taking place in the HWA includes a more diverse group and that voices of Black, Asian and minority ethnic-led sister organisations are included and promoted.

- **Reablement and Dementia**
Our impact reached beyond local collaborations. We engaged with key policy makers, such as OHID, DHSC, and the NHS, to discuss our reablement report. These meetings were crucial in determining how best to use our findings to improve mental health services. Notably, Mark Thaxter from the NHS shared our reports on the Futures platform, further amplifying our achievements.
- **Personalisation in Dementia Care**
We completed our detailed report and shared it with the DHSC dementia policy team. The report emphasises how the voluntary sector, especially the Disability Movement, played a key role in promoting personalised care. It also underscores that for personalised care to be truly effective, it must address broader societal inequalities.
- **Dementia Care and Care Quality Commission**
In October 2022, the Foundation organised and co-hosted, an online seminar with over 170 Care Quality Commission colleagues exploring issues around dementia care with the aim of improving the way inspection of dementia services address inequality. The online seminar was chaired by Jabeer Butt, Chief Executive of the Race Equality Foundation, and explored research on the experience of Dementia of Black, Asian and minoritised groups as well as exploring what could be done better, with our co-produced ADAPT toolkit presented.
- **Severe Mental Illness and Physical Health Checks**
We are continuing to share what we learned from the Physical Health Check project, where we gathered input from individuals with severe mental illness. We presented our insights at a local NHS conference, informing service providers about the feedback we received. Additionally, we

are also sharing findings from the co-production group for the same project, which primarily consists of African and Caribbean individuals dealing with severe mental illness. Our findings led us to present at a regional NHS conference in the Southwest and in the West Midlands, where we informed service providers about the unique perspectives and needs of people with severe mental illness. To embrace co-production, we formed a group mainly composed of African and Caribbean people with severe mental illness. Through this group, we continued to share project findings, ensuring diverse voices were heard.

- **Improving access to primary care**
We examined the main difficulties that Black, Asian, and minority communities face in accessing primary care. We did this by talking to local voluntary organisations and reviewing existing evidence. We found examples of effective approaches to tackle these challenges. Our insights have been shared with the GP Access team, who are revising the GP registration forms. We pointed out that the initial ethnicity categories could lead to inaccuracies, and as a result, the form was modified to match census categories and layout.
- **Everyone's Environment**
We are working with a range of voluntary and community organisations to improve the social sector's response to climate change as part of the NPC's Everyone's Environment programme. We organised a seminar, produced a briefing paper and secured funding to continue more research in this area.
- **An antiracism practice hub for London**
We developed work on designing a business plan for the GLA on a London Antiracism Practice Hub. We engaged and co-produced key components of the hub and its infrastructure. We will deliver the plan in late spring/early summer 2023.
- **NHS Equality Objectives**
We developed and consulted on the engagement plan for NHS England equality objectives. We carried out a scoping review to help inform the development of the engagement plan, with a view to delivering a final report before the summer 2023.
- **National Black Asian and Minority Ethnic Transplant Alliance**
We continued to provide the secretariat for NBTA and Living Transplant Initiative and develop governance and infrastructure of NBTA. We have supported Team Margo in the establishment of the APPG Ethnicity Transplantation and Transfusion, and we are part of the steering group that supports the APPG. Our trustee, Gurch Randhawa is also on the steering group.
- **Alliance for Racial Justice**
With organisations such as Action for Race Equality, the Runnymede Trust, Friends, Families and Travellers, Caribbean and African Health Network we established a new alliance of racial justice organisations.

Our delivery work included:

- **Training the workforce**
Training facilitators to deliver Strengthening Families, Strengthening Communities
We continued to deliver training across London boroughs in Islington, Hackney and Ealing, Waltham Forest, Westminster, Bromley; as well as in Manchester, Sheffield, Kirklees, and internationally to participants in Bangladesh. We trained 123 new facilitators, as well as providing ongoing professional development through advanced training courses and peer support sessions. Satisfaction with training from feedback forms identify 90 per cent feel training meets or exceeds expectations. Training remains stable despite challenging external factors, and

we have met our targets. We have seen growth in the delivery of our new advanced training on reducing parental conflict in line with DWP allocations to local authorities.

- **Delivering to parents**
We delivered or supported the delivery of 300 Strengthening Families, Strengthening Communities parent programmes. We reached just over 3,000 parents from a range of diverse backgrounds, with several programmes being delivered in community languages such as Arabic, Somali and Sylheti. Many of the parents attending faced significant socio-economic challenges. These programmes also continued to attract fathers from Black, Asian and minority ethnic backgrounds. A significant proportion of these programmes were also involved in the Together randomised control trial being led by University College London.
- **Further roll out of work on parental conflict**
We continued to build on our parental conflict work, and the derivation of the SFSC programme addressing parental conflict was delivered in Waltham Forest. Training practitioners in this model also took place in Camden and Bromley. Building on SFSC delivery projects to grow the capacity and infrastructure of voluntary and community organisations a new work programme was established in Barking and Dagenham as part of the Start for Life initiative to provide support for Black, Asian and Minority ethnic families of babies and young children. Our online SFSC offer continued to grow with 200 parents accessing the programme in 2022-23.
- **Improving the evidence base on the efficacy of SFSC**
We are evaluating the effectiveness and cost-effectiveness of the SFSC programme. This includes a comprehensive randomised control trial, which reached its target this year of recruiting 672 research participants. This is an incredible achievement, given the impact of Covid and the nature of the cohort that the study aimed to recruit. The study has been successful in recruiting parents and carers that research studies often do not engage and hear from, but that we know the SFSC programme consistently delivers to, including parents from diverse ethnic and faith backgrounds and those experiencing social and economic deprivation. So, summary demographic data suggest that of the 672 parents recruited to the study, around 30 per cent of them have annual household incomes of less than £10,000; 70 per cent are from Black, Asian and minority ethnic backgrounds; 50 per cent speak a language other than English at home; and 40 per cent are from the Muslim community.

It is important to recognise that it is rare for research studies, particularly RCT's to secure such a diverse set of research participants across minority communities. As such it is a significant achievement that we are incredibly proud of and reflects what we know about who takes up SFSC and how hard facilitators work to engage groups that other services struggle to.

Communications and influencing

Our external communication activities were enhanced by the creation of the new role of Communications and Influencing Manager. This extended our reach and impact, and we achieved the following:

- Worked with 86 voluntary and community organisations, many of whom were Black, Asian or minority ethnic-led such as Asian Disabled People's Alliance;
- Worked with or 27 statutory partners, from NHS England to the Greater London Authority to London Borough of Lambeth;
- Worked with 17 academic partners, from the five universities in UCL-led TOGETHER study to University of Sheffield.

In 2022-23 we carried out a major re-brand, with a new logo, a redesigned website as well the launch of newsletter in keeping with the new brand:

Report of the Management Committee for 2022-23



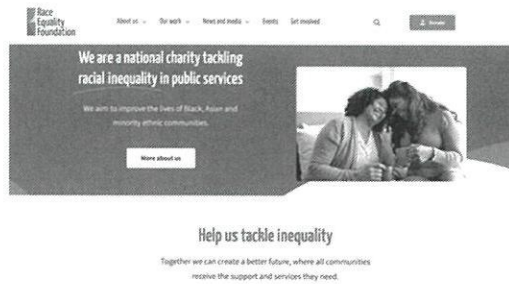
Racism is the root cause of ethnic inequalities in health

Racism is the cause of health inequality, from birth through to adulthood and into later life, according to [new findings](#) from the Race Equality Foundation released today.

Researchers looked at [comprehensive](#) [Socio-](#) data which found that racism is a key driver of ethnic inequalities in health, both directly and indirectly. It has an impact in childhood - with children from ethnic backgrounds being born at a lower birthweight and not hitting developmental milestones, to life-long lung term illness, and mental illness in adulthood.

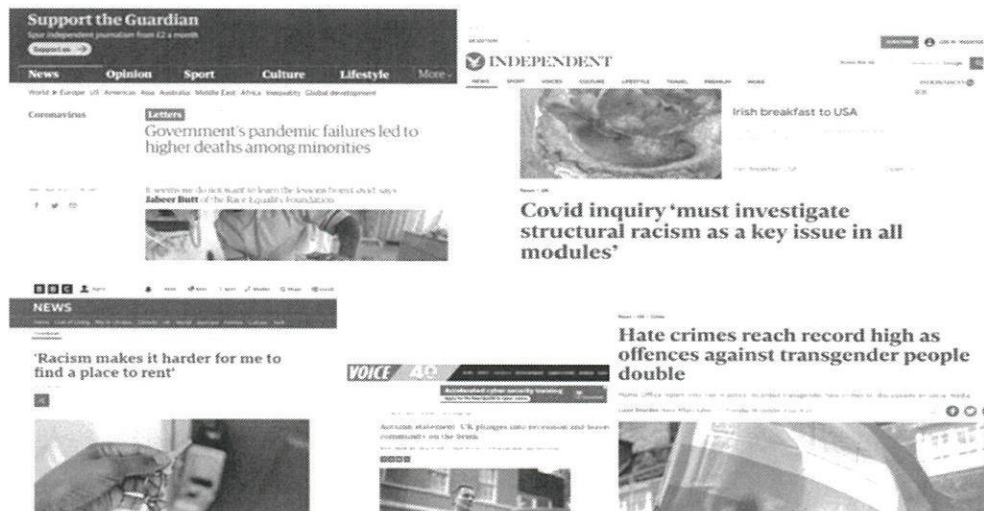
This report finds that racism leads directly to poorer health for minoritised ethnic groups through stress or worsening mental health, and indirectly, by exposure to targeted marketing of harmful substances, and toxins in the environment.

[Read the briefing](#)

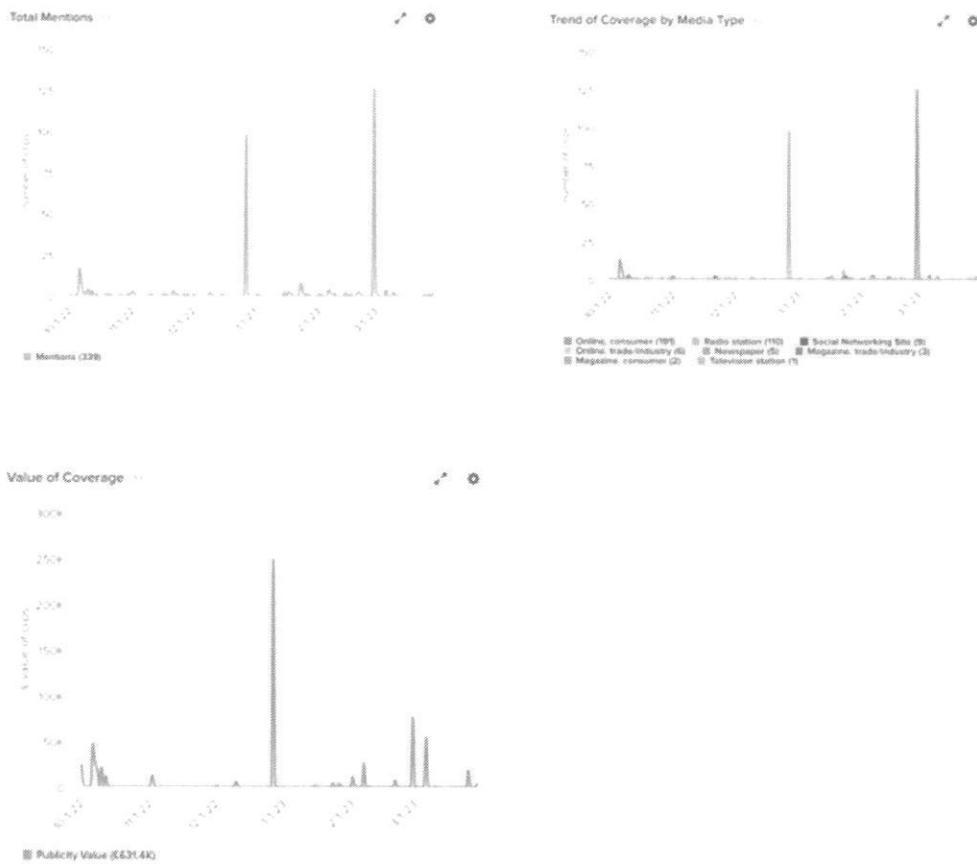


We have increased and improved relationships with stakeholders to help explore and understand what is known about discrimination and disadvantage. We have improved our intelligence and influencing. We have grown our social media and digital presence. We continue to draw wider attention to existing poor practice and increased public pressure for better solutions. We have done this by:

- Relationship building with relevant correspondents; proactive comment offers, reactive statements.
- This saw 339 mentions in the media from October-March (almost the same amount of coverage secured in the previous quarter). “Big hits” for REF in this period included comments to BBC News on housing, on hate crimes in the Guardian, and on the Covid Inquiry in the Guardian and Independent.



Report of the Management Committee for 2022-23



Social media channel	Oct 2022 – March 2023
Twitter (set up June 2010)	Followers: 9,916 Total impressions: 119,000 Engagement rate: 3.10%
Instagram (set up Sept 2021)	Followers: 860 Impressions: 1,379
LinkedIn (unknown set up date)	Followers: 935 Impressions: 7,023 Engagement rate: 7.1%
Facebook (set up March 2011)	Followers: 774 Page & post engagements: 966 Eng. Rate: 6.8%

Our influencing work had highlights, including:

- Expert Panel and Maternity Care: Played a pivotal role in the Expert Panel for the Racial Justice Inquiry into Maternity Care and responded actively to the CQC State of Care report.
- Addressing Child Sexual Abuse: Provided insights and recommendations to the Independent Inquiry into Child Sexual Abuse through focus groups and contributions.
- Tackling High Blood Pressure: Collaborated with partners to launch an innovative project targeting high blood pressure in Black African and Caribbean communities.

- Supporting People with SMI: Partnered with local organizations to enhance support for Severe Mental Illness attendees during physical health checks.
- Responding to Strategies and Inquiries: Engaged in consultations and provided feedback on strategies, inquiries, and reports related to racial impact.
- Addressing Climate and Nature Crises: Collaborated on projects to raise awareness about climate and nature crises' impact on minority ethnic groups.
- Overhauling the Social Care System: Advocated for social care reform through the Reimagining Care report.
- Prioritising Wellbeing of Young Black Men: Contributed to the Being Well Being Equal Report, focusing on young men's wellbeing, especially in the criminal justice system.
- Addressing Health Inequalities: Released reports highlighting actions to reduce inequalities with a digital component.
- Influence on Health Policies: Actively engaged with NHS WRES figures, advocated for workforce equality, and addressed cases of discrimination.
- Addressing Health Inequity from Birth to Adulthood: Explored health inequity causes from birth to later life, in collaboration with the Nuffield Foundation.
- Advocacy for Equal Opportunities in Healthcare: Founding member of Health Equals coalition advocating for equal health opportunities.
- Addressing Discrimination and Race Inequality: Lead the Alliance for Racial Justice group, responded to reviews of discrimination effects.
- Advocacy for Young People: Part of the VAWG group advocating for young people's needs in RSHE guidance review.
- Data Collection and Impact Assessment: Published a report with ONS on ethnicity data recording in health datasets.
- Inclusive Workforce Program: Conducted impact assessment and developed training for an inclusive work environment in health and justice service providers.

Acknowledgements

The Race Equality Foundation would like to thank all our funders, commissioners, and partners for supporting our work. We rely on successful collaboration to help deliver racial justice:

African Caribbean Mental Health Services (Manchester)	Alliance for Racial Justice	Approachable Parenting
Asian People's Disability Alliance	Association for Young People's Health	Being Well Being Equal Alliance
Blood Pressure UK	British Red Cross	Burdett Trust
Carers UK	Centre for Mental Health	Children and Young People Mental Health Coalition
Clinks	Commission on COVID-19	COVID-19 Bereaved Families for Justice
Department of Health and Social Care	Doctors of the World	End Violence Against Women and Girls Coalition
Friends Families and Travellers Health Equals	Greater London Authority Hertfordshire Community Trust	Health and Wellbeing Alliance Kirklees Council
Learning Disability England	London Borough of Camden	London Borough of Ealing
London Borough of Hackney	London Borough of Islington	London Borough of Waltham Forest
London Borough of Westminster	London Borough of Wandsworth	Manchester City Council

Report of the Management Committee for 2022-23

Manchester Metropolitan University	Ministry of Justice	Mosac
NBTA (National Black, Asian, Mixed Race, and Minority Ethnic Transplant Alliance)	NHS England	NHS England
National Institute for Health Research (NIHR) PLIAS	NPC (New Philanthropy Capital) Race and Health Observatory	Nuffield Foundation Sandwell African Caribbean Mental Health Foundation Smart Health Solutions
Sheffield African Caribbean Mental Health Association Team Margo	Sheffield Council The Archbishops of Canterbury and York	UK Health Security Agency
United Kingdom Research and Innovation (UKRI) Wellcome Trust Zahid Mubarek Trust	University College London Wipers CIC	University of Central Lancashire Younger Lives

The Foundation continues to go from strength to strength using our expertise to lessen the racial inequality divide. This year has seen it continue to form new partnerships, share groundbreaking research, and further develop and deliver its parenting programme. Our ambition for the coming year will be to build on all these areas and increase its brand awareness, cross partnership working and programme delivery. The external environment continues to be challenging but the charity has the tools to deliver our projects to the highest standards.

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 2023 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. Trustee Members were reimbursed travel & subsistence expenses incurred in the performance of their duties totalling £765 (2022: £Nil). Trustee indemnity insurance of £100,000 (2022: £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. In 2021 the Foundation began a process to recruit new trustees, which when completed would also see the resignation of several existing trustees. This process was completed in 2022 and saw six new trustees appointed, including a new chair and the standing down of five trustees. The Foundation now has ten trustees.

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 their skills and experience could be enhanced at any one time, then trustees can decide 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 that, 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 the 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.

By the end of 2022/23 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; and 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 can meet with all staff in the organisation.

Organisation

The Management Committee is responsible for the charity and meets five times a year to consider developments and make decisions regarding strategy and other important matters. The committee is currently in the process of refreshing its sub-groups.

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:

Report of the Management Committee for 2022-23

- 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 several possible financial risks for the organisation. The risks include income not reaching expected levels; pension liabilities; staff redundancies and costs associated therewith.

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.

Financial Review

As the annual report and accounts documents show, the Foundation continues to be able to pursue key aspects of our work, securing support for some of the most at risk as result of the effects of the COVID pandemic, and remain financially stable.

Our focus on effecting real change for our beneficiaries has resulted in new projects this year. For example, we have helped launch an innovative new project, with Smart Health Solutions, Younger Lives and Blood Pressure UK, to address high blood pressure amongst Black African and Caribbean people using a new assessment tool funded by the Burdett Trust, working with nurses and GP practices. In addition, we have been commissioned by Barnardo's to investigate the impact of trauma and racism on Black, Asian and minority ethnic young people, children and families, and to assess whether trauma informed care accounts for racism.

We have continued to manage our attention to costs but recognise that we are dependent on retaining experienced staff which, this last year, we recognised by backdating a cost-of-living increase in salaries to 1 April 2022. This meant dipping into our reserves but our reserves at year-end remain at a healthy level.

The funding of our current work has improved our year-end cash position from last year, but this will reduce as the specific work that enabled this (recognised by the carry forward of restricted grants received and other income deferred) is completed.

Our financial stability has been aided by a significant turnaround in our defined benefit pension scheme obligations. The actuaries of the Essex Pension Fund (the part of the Local Government Pension Scheme ("LGPS") in which we participate) completed their 2022 triennial funding valuation on 29 March 2023. Using the assumptions agreed with Essex County Council, the administrator of the Essex Pension Fund, the Fund had assets sufficient to cover 102% of the accrued liabilities as of 31 March 2022, compared to 97% at the 2019 valuation. The actuaries agreed with the administrator that the surplus should be spread up to 31 March 2026. Consequently, the actuaries advised that REF's cash contribution rate could be reduced to 10% from 1 April 2023 to 31 March 2026 versus the primary rate of 23.0% for the last three years. Had there not been a surplus REF's cash contribution rate would have been a primary rate of 25.3%.

Subsequently, the actuaries conducted their annual accounting update survey and reported on 17 May 2023 that our future liabilities continue to be more than covered by the available assets. Whilst

the assumptions used for accounting purpose are different to the funding valuation (notably the discount rate used) this provided comfort to the Trustees that the long-standing risk associated with the LGPS defined benefit pension scheme, had been ameliorated. In accordance with the FRS 102 accounting standard, the reduced future contribution rate versus that which would be required to meet our current service cost accrual (at 25.3% of salaries) allows us to recognise the benefit on REF's balance sheet by increasing reserves. This increase is separately reported as a "designated" general fund and is an estimate based on current salary levels. The estimated benefit of £79,185 is considerably less than the accounting surplus of £1,901,000 as at 31 March 2023 (and the funding surplus of £1 million as at 31 March 2022) but given the significant uncertainties associated with the assumptions used for the assessment (particularly the impact of persistent inflation on pensions) the Trustees consider the estimate to be reasonable in the circumstances. We have recorded an "asset ceiling adjustment" in our Statement of Financial Activities to eliminate the difference between the accounting surplus and the benefit that we have recognised.

Reserves policy

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, as a minimum, approximate the next three month's operational expenditure, currently approximately £230,000. Unrestricted reserves as of 31 March 2023 were approximately £266,000, net of the investment in tangible fixed assets and excluding the designated pension reserve. However, whilst the 31 March 2023 level exceeds the desired operational buffer, the need to retain our experienced staff and the significant risk associated with the LGPS, over which we have almost no control, persuades us to maintain the current reserves level.

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



Karin Woodley CBE, Chair

Approved on: 26 September 2023

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 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, 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 company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of the results 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 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 directors' 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Auditor's report
For the year ending 31 March 2023

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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.

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

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company 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 (set out on page 14), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Auditor's report
For the year ending 31 March 2023

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 and Charity Law
- those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, fundraising regulations and health and safety legislation.

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.

Auditor's report
For the year ending 31 March 2023

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 Accountants LLP, Statutory Auditor

Nexus House
Cray Road
Sidcup
Kent
DA14 5DA

Date: 26/9/23

Statement of Financial Activities
For the year ending 31 March 2023
(Including the Income and Expenditure Account)

	Notes	Restricted funds £	Unrestricted funds £	2023 Total funds £	2022 Total funds £
Income					
Donations and legacies - Donations		-	6,968	6,968	48,031
Income from charitable activities					
- Promoting good race relations	2	582,432	431,978	1,014,410	748,398
- Coronavirus job retention scheme	6	-	-	-	1,525
Investment income		-	596	596	36
Total income		582,432	439,542	1,021,974	797,990
Expenditure					
Expenditure on charitable activities					
- Promoting good race relations	3	498,434	497,858	996,292	867,300
Total expenditure		498,434	497,858	996,292	867,300
Net income/(expenditure) for the year		83,998	(58,316)	25,682	(69,310)
Transfer of funds		2,010	(2,010)	-	-
Other recognised gains and losses:					
- Re-measurement of the pension fund net defined liability/surplus					
-- Change in financial assumptions	14	-	1,593,000	1,593,000	175,000
-- Return on plan assets excluding interest income	14	-	(105,000)	(105,000)	343,000
-- Asset ceiling adjustment	14	-	(1,390,815)	(1,390,815)	(431,000)
Net income and net movement in funds for the year		86,008	36,859	122,867	17,690
Fund balances brought forward		-	308,388	308,388	290,698
Fund balances carried forward		86,008	345,247	431,255	308,388

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 25 to 37 form a part of these financial statements.

Balance sheet
As at 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	9		218		794
Current assets					
Debtors due within one year	10 a	247,322		135,914	
Debtors due in more than one year	10 b	52,790		-	
Cash at bank and in hand		414,977		337,392	
Total Current Assets		715,089		473,306	
Liabilities					
Creditors falling due within one year	11	(284,052)		(165,712)	
Net Current Assets			431,037		307,594
Total assets less current liabilities			431,255		308,388
Total Net Assets			431,255		308,388
The funds of the charity					
Restricted income funds	12		86,008		-
Unrestricted income funds					
- General fund	12		266,062		308,388
- Pension reserve	12,14		79,185		-
Total Funds			431,255		308,388

The accounting policies and notes on pages 25 to 37 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: 26 September 2023

Company number: 03121679

Statement of Cash Flows
For the year ending 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Net income/(expenditure)			25,682		(69,310)
Adjustments:					
- Investment income			(596)		(36)
- Depreciation			576		576
- Pension fund			97,185		35,000
- (Increase) in debtors		(164,198)		(9,681)	
- Increase in creditors		118,340	(45,858)	(80,146)	(89,827)
Net cash generated by operating activities			76,989		(123,597)
Cash provided by investing activities					
- Investment income			596		36
- Capital expenditure			-		-
Increase/(Decrease) in cash and cash equivalents in the year			77,585		(123,561)
Cash and cash equivalents at the beginning of the year			337,392		460,953
Cash and cash equivalents at the end of the year			414,977		337,392
Cash on deposit (less than 3 months)			412,555		335,577
Cash on current account and in hand			2,422		1,815
Total cash and cash equivalents			414,977		337,392

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 2022) - (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, or career average pay, for certain employees. LGPS is administered by Essex County Council in accordance with the Local Government Pension Scheme Regulations 2013 (as amended). 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 subsequent 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".

A liability recognised in the balance sheet in respect of the defined benefit plan would be 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. If the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a surplus. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

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 asset (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

Notes to the Financial Statements

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 defined benefit pension asset/liability within the next reporting period due to any changes in the assumptions used (see note 14) in either the actuary's triennial or annual roll forward valuations.

2. Income from charitable activities	Restricted funds	Unrestricted funds	2023 Total funds	2022 Total funds
	£	£	£	£
Grants				
Dept. of Health – Health and Wellbeing	92,681	-	92,681	92,681
London Borough of Waltham Forest: Parental conflict	42,000	-	42,000	-
Barnardo’s Trauma and Racism Project	20,000	-	20,000	-
Burdett Trust for Nursing grant	179,400	-	179,400	-
SFSC Randomised Control Trial	93,693	-	93,693	84,050
SFSC London Borough of Waltham Forest	-	-	-	48,516
SFSC London Borough of Westminster	76,797	-	76,797	70,500
SFSC Cookham Wood	-	-	-	1,660
SFSC City of London	-	-	-	300
SFSC - Other	73,413	-	73,413	78,659
The Health Foundation – Collaboration for Wellbeing and Health	-	-	-	24,216
ADAPT Study	4,448	-	4,448	18,320
Other income				
SFSC Training and reference material	-	172,438	172,438	176,586
Consultancy	-	259,540	259,540	152,910
	582,432	431,978	1,014,410	748,398
2022	418,902	329,496	748,398	

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	2023 Total	2022 Total
	£	£	£	£	£
Dept. of Health – Health and Wellbeing	16,818	71,623	4,281	92,722	92,802
London Borough of Waltham Forest: Parental conflict	5,667	24,133	13,305	43,105	-
Barnardo’s Trauma and Racism Project	3,809	16,221	-	20,030	-
Burdett Trust for Nursing Grant	5,373	22,880	65,139	93,392	-
NHS England – Learning disabilities	-	-	-	-	47,945
SFSC Randomised Control Trial	9,980	42,500	41,328	93,808	84,753
SFSC London Borough of Waltham Forest	-	-	-	-	48,986
SFSC London Borough of Westminster	8,320	35,434	33,491	77,245	71,066
SFSC Cookham Wood	-	-	-	-	1,873
SFSC City of London	-	-	-	-	-
SFSC - Other	13,990	59,580	-	73,570	78,713
The Health Foundation – Collaboration for Wellbeing and Health	-	-	-	-	32,457
The Baring Foundation – Inclusion in Arts and Mental Health activities	-	-	-	-	7,022
ADAPT Study	867	3,693	-	4,560	21,977
SFSC Training and reference material	2,970	12,647	88,274	103,891	41,089
Consultancy	81,561	270,686	41,722	393,969	335,261
Coronavirus Job Retention Scheme furloughed staff costs	-	-	-	-	3,356
	149,355	559,397	287,540	996,292	867,300
	2022	167,161	539,635	160,504	867,300

4. Support and governance costs	2023 £	2022 £
Further analysis		
Premises costs	80,952	85,540
Communication costs	4,948	3,458
Legal and other professional fees including consultancy	15,929	15,766
Pension scheme		
- Current service cost	68,000	71,000
- Interest cost (net of return on scheme assets)	(12,000)	1,000
- Contributions paid & allocated in Staff costs	(41,000)	(39,000)
- Administration expense	3,000	2,000
Office costs	26,096	25,665
Depreciation	576	576
Other costs	2,854	1,156
	149,355	167,161

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:

	2023 £	2022 £
Depreciation	576	576
Governance Costs:		
- Trustees' expenses	765	-
- Auditors' remuneration (excluding VAT)	5,850	-
- Independent examination (excluding VAT)	-	1,800
Rentals under operating leases:		
- Property (excluding VAT)	55,258	55,258
- Equipment (excluding VAT)	666	666

6. Staff costs and numbers

Staff costs during the year were as follows:

	2023 £	2022 £
Salaries	460,540	448,551
Social security costs	45,094	41,840
Pension costs	49,935	46,604
Staff training & welfare costs	3,828	2,640
	559,397	539,635

One employee earned over £60,000 (including taxable benefits but excluding employer pension contributions) during the year (2023: One).

The total employee benefits of the key management personnel of the Foundation (Chief Executive Officer) were £87,238 (2022: £81,186).

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

	2023 No	2022 No
Chief Executive Officer	1	1
Project staff	11	12
Management and administrative staff	1	1
	13	14

The Government's Coronavirus Job Retention Scheme was not available during the year, so no grants were received in respect thereof (2022: £1,525). Consequently, no payments were made (2022: £3,356)

7. Management Committee members' remuneration/expenses

None of the Trustees received any remuneration during the year (2022: £Nil).

During the year, travel and subsistence expenses incurred in the performance of their duties claimed by and reimbursed to Trustees was £765 (2022: Nil).

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 registered for VAT.

9. Tangible fixed assets	Leasehold Improvements	Furniture & Fixtures	Plant & Machinery	Office Equipment	Restricted Fund Equipment	Total
	£	£	£	£	£	£
Cost						
At 1 April 2022	44,018	3,631	10,932	13,919	4,870	77,370
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 March 2023	44,018	3,631	10,932	13,919	4,870	77,370
Depreciation						
At 1 April 2022	44,017	3,631	10,932	13,126	4,870	76,576
Charge for year	-	-	-	576	-	576
At 31 March 2023	44,017	3,631	10,932	13,702	4,870	77,152
Net book values						
At 31 March 2022	1	-	-	793	-	794
At 31 March 2023	1	-	-	217	-	218

10. Debtors	2023 £	2022 £
Fees receivable	164,824	55,251
Prepayment and other debtors	56,103	80,663
Defined benefit pension fund contributions	26,395	-
a) Debtors due within one year	247,322	135,914
b) Debtors due in more than one year: Defined benefit pension fund contributions	52,790	-

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

11. Creditors: amounts falling due within one year	2023 £	2022 £
Trade creditors	20,087	26,421
Social security and other taxes	13,330	12,539
Value Added Tax	22,366	6,268
Pension contributions	6,003	5,790
Deferred income	166,872	66,310
Accruals and sundry creditors	55,394	48,384
	284,052	165,712

Notes to the Financial Statements

11a Deferred Income	2023	2022
	£	£
Deferred Income brought forward	66,310	107,494
Released to income in the year	(66,310)	(107,494)
Deferred income in the year	166,872	66,310
Deferred Income carried forward (See note 11)	166,872	66,310

12. Restricted and Unrestricted funds

During the year to 31 March 2023 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 2022	Income	Expenditure	Transfer of Funds	At 31 March 2023
	£	£	£	£	£
Revenue funding					
Dept. of Health – Health and Wellbeing (why wellbeing is relevant to health policy)	-	92,681	(92,722)	41	-
Barnardo’s Trauma and Racism Project (investigate the impact of trauma & racism on BAME young people, children and families)	-	20,000	(20,030)	30	-
Burdett Trust for Nursing (high blood pressure amongst Black African and Caribbean people)	-	179,400	(93,392)	-	86,008
SFSC Randomised Control Trial (evaluating the effectiveness of parenting programmes)	-	93,693	(93,808)	115	-
SFSC parenting programmes for					
- London Borough of Waltham Forest	-	42,000	(43,105)	1,105	-
- London Borough of Westminster	-	76,797	(77,246)	449	-
- Other	-	73,413	(73,571)	158	-
ADAPT Study	-	4,448	(4,560)	112	-
Total restricted funds	-	582,432	(498,434)	2,010	86,008
Total unrestricted funds					
- General fund	308,388	439,542	(497,858)	15,990	266,062
- Pension reserve	-	-	97,185	(18,000)	79,185
Total funds	308,388	1,021,974	(899,107)	-	431,255
Fund balances at 31 March					
Are represented by:					
- Tangible fixed assets		-	218	218	794
- Current assets due within one year		86,008	576,291	662,299	473,306
- Current assets due in more than one year		-	52,790	52,790	-
- Creditors: amounts falling due within one year		-	(284,052)	(284,052)	(165,712)
Total net assets		86,008	345,247	431,255	308,388
	2022	-	308,388	308,388	

Notes to the Financial Statements

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 2022 by Barnett Waddingham LLP which determined that the charity's contribution rate should be reduced from 23.0% to 10.0% for the 3 years commencing 1 April 2023 due to a £1 million funding surplus.

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 2023 in respect of its pension obligations under the LGPS. This information, reported on 17th May 2023, shows a net surplus of £1,901,000 as at 31 March 2023 (2022: £431,000). In accordance with the provisions of the Charities SORP (FRS102) the criteria for recognition are either/or a cash refund or reduced future contributions. The defined benefit asset of £79,185 recognised in these financial statements is an estimate of the impact of reduced contributions for the next three years. The difference between the accounting valuation and the reduced future contributions is recognised by the recording of an increase in the "asset ceiling adjustment" of £(1,390,815) in the "Other recognised gains and losses" section of the financial statements.

Financial Reporting Standard 102 – Retirement Benefits

Total LGPS pension contributions charged during the year amounted to £41,000 (2022: £39,000). Contributions totalling £4,457 in respect of LGPS (2022: £4,172) 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:	2023	2022
	%	%
Rate of increase in salaries	3.90	4.20
Rate of increase in pensions (CPI)	2.90	3.20
Discount rate	4.80	2.60

The mortality assumptions used were:	2023	2022
	Years	Years
Longevity at age 65 retiring today		
- Males	21.1	21.6
- Females	23.5	23.7
Longevity at age 65 retiring in 20 years		
- Males	22.3	23.0
- Females	25.0	25.1

Notes to the Financial Statements

14 Pension commitments (continued)

The estimated asset allocation in the scheme and present value of scheme liabilities were:	2023 £000	2022 £000
Equities	2,734	2,829
Gilts	69	112
Other bonds	0	206
Property	389	386
Cash/temporary investments	153	120
Alternative assets	751	582
Other managed funds	650	476
Far value of scheme assets (bid value)	4,746	4,711
Present value of scheme liabilities	(2,845)	(4,280)
Net asset/(liability)	1,901	431

The reconciliation of opening and closing balances of the present value of the defined benefit obligation is as follows:	2023 £000	2022 £000
Opening defined benefit obligation	4,280	4,366
Current service cost	68	71
Interest cost	110	87
Change in financial assumptions	(1,384)	(183)
Change in demographic assumptions	(67)	-
Experience loss/(gain) on defined benefit obligation	(91)	8
Estimated benefits paid (net of transfers in)	(85)	(82)
Contribution by scheme participants	14	13
Closing defined benefit obligation	2,845	4,280

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	£000	£000	£000	£000
Adjustment to discount rate	+ 0.5%	+ 0.1%	0.0%	- 0.1%	- 0.5%
- Present value of total obligation	2,654	2,805	2,845	2,886	3,058
- Projected service cost	33	36	37	38	42
Adjustment to long term salary increase assumptions	+ 0.5%	+ 0.1%	0.0%	- 0.1%	- 0.5%
- Present value of total obligation	2,877	2,851	2,845	2,839	2,814
- Projected service cost	37	37	37	37	37
Adjustment to pension increases and deferred revaluation	+ 0.5%	+ 0.1%	0.0%	- 0.1%	- 0.5%
- Present value of total obligation	3,029	2,880	2,845	2,811	2,681
- Projected service cost	42	38	37	36	33
Adjustment to life expectancy assumptions	+ 1 year		None		- 1 year
- Present value of total obligation	2,949		2,845		2,745
- Projected service cost	38		37		36

Notes to the Financial Statements

14 Pension commitments (continued)

The reconciliation of fair value of scheme assets is as follows:	2023 £000	2022 £000
Opening fair value of scheme assets	4,711	4,314
Interest on assets	122	86
Return on assets less interest	(105)	343
Other actuarial gains/(losses)	51	-
Administration expenses	(3)	(2)
Contributions by employer including unfunded	41	39
Contributions by fund participants	14	13
Estimated benefits paid (net of transfers in and including unfunded)	(85)	(82)
Far value of scheme assets (bid value)	4,746	4,711
Asset ceiling adjustment	(1,822)	(431)
Closing fair value of scheme assets	2,924	4,280

The reconciliation of scheme assets and liabilities is as follows:	Assets £000	Liabilities £000	Total £000
At 1 April 2022	4,280	(4,280)	-
Benefits paid	(85)	85	-
Employer contributions	41	-	41
Fund participant contributions	14	(14)	-
Current service cost	-	(68)	(68)
Administration expense	(3)	-	(3)
Interest income/(expense)	122	(110)	12
Experience gain on defined benefit obligation	-	91	91
Other actuarial gains/(losses)	51	-	51
Re-measurement gains/(losses)			
- Change in financial assumptions	-	1,384	1,384
- Change in demographic assumptions	-	67	67
- Return on plan assets excluding interest income	(105)	-	(105)
- Asset ceiling adjustment	(1,391)	-	(1,391)
At 31 March 2023	2,924	(2,845)	79

15 Financial commitments

At 31 March 2023 the charity had the following future minimum lease payments under non-cancellable operating leases for the following periods:

Payments due	Land and buildings		Other	
	2023 £	2022 £	2023 £	2022 £
Not later than one year	-	-	666	555
Later than one year and not later than five years	-	-	-	-
Total	-	-	666	555

Negotiations with the landlord continue for the continued occupation of the offices

Notes to the Financial Statements

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 2023, and there were 9 members at the end of 2022.

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 re-imburement of Trustees travelling expenses (see Note 7).

19 Comparative Statement of Financial Activities (2022)

	Notes	Restricted funds	Unrestricted funds	2022 Total funds	2021 Total funds
		£	£	£	£
Income					
Donations and legacies - Donations		-	48,031	48,031	21,082
Income from charitable activities					
- Promoting good race relations	2	418,902	329,496	748,398	1,237,030
- Coronavirus job retention scheme	6	-	1,525	1,525	38,676
Investment income		-	36	36	205
Total income		418,902	379,088	797,990	1,296,993
Expenditure					
Expenditure on charitable activities					
- Promoting good race relations	3	487,594	379,706	867,300	1,180,239
Total expenditure		487,594	379,706	867,300	1,180,239
Net income for the year		(68,692)	(618)	(69,310)	116,754
Transfer of Funds		8,550	(8,550)	-	-
Other recognised gains and losses:					
- Re-measurement of the pension fund net defined liability					
--Change in financial assumptions		-	175,000	175,000	(799,000)
--Return on plan assets excluding interest income		-	343,000	343,000	885,000
--Asset ceiling adjustment	14	-	(431,000)	(431,000)	-
Net income and net movement in funds for the year		(60,142)	77,832	17,690	202,754
Fund balances brought forward		60,142	230,556	290,698	87,944
Fund balances carried forward		-	308,388	308,388	290,698