

ACTION FOR RACE EQUALITY

A Company Limited by Guarantee

Report of the Trustees and audited financial statements for the year ended 31 March 2022

Action for Race Equality

200a Pentonville Road

London N1 9JP

T: 020 7832 5800

F: 020 7832 5835

Charity registration number: 1056043

Company registration number: 03203812

**Report of the Trustees and audited financial statements for the year ended 31
March 2022**

Contents

Legal and administrative information	2
Report of the Trustees (incorporating Chief Executive's Report)	3
Independent auditor's report	19
Statement of financial activities	22
Consolidated balance sheet	23
Balance sheet	24
Cash flow statement	25
Notes to the financial statements	26

Action For Race Equality

Report of the Trustees (incorporating a Chief Executive's Report) for the year ended March 2022

Legal and administrative information

Name of charity: Action for Race Equality (ARE)

Charity registration number: 1056043

Company limited by guarantee registration number: 03203812

Principal and registered office: 200a Pentonville Road, London N1 9JP

Charitable company's trustees and officers:

Femi Bola MBE, Secretary

Marlon Bruce (Appointed 29.09.2021)

Ila Chandavarkar, Treasurer

Laura Durrant (Appointed 29.09.2021)

Zahid Hussain

David Izamoje (Appointed 25.11.2021)

Seema Manchanda, Chair

Raj Patel MBE

Ambrose Quashie

Kenneth Sule-Ejeh (Appointed 29.09.2021)

Patrons:

Greg Clark CBE

Lieutenant Colonel Sulle D Alhaji

Chief Executive Officer and senior staff members to whom day- to-day management of the charitable company is delegated by the trustees:

Jeremy Crook OBE, Chief Executive

Tebussum Rashid, Deputy Chief Executive

Banker: Unity Trust Bank, Four Brindleyplace, Birmingham B1 2JB

Auditor: Able & Young, Airport House, Purley Way, Croydon, CR0 0XZ

Action For Race Equality

Report of the Trustees (incorporating a Chief Executive's Report) for the year ended March 2022

The Trustees (who are also the directors for the purposes of company law) are pleased to present their report and the audited financial statements of Action for Race Equality for the year ending 31 March 2022. These comply with statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable to charities in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Aims and Mission

The aims for which the charitable company is established are:

- To increase employment rates for Black, Asian and Mixed heritage people to the national average.
- To ensure that Black, Asian and Minority Ethnic communities contribute to the economic regeneration of their communities.
- To raise the attainment levels of Black, Asian and Mixed heritage pupils in education to the national average.
- To work with individuals and communities to improve integration and cohesion through developing shared values and aspirations for the whole community.
- To motivate and inspire individuals to act on their ideas and to realise their enterprise potential.

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. Action For Race Equality provides public benefit by improving the lives of young Black, Asian and Mixed heritage people through our projects, supporting staff in Black and Asian led organisations and in our policy work on tackling poverty, inequality and employment.

Our mission

Action for Race Equality's mission is to end racial inequality. We believe that the contribution of all communities makes a nation, builds dynamic local communities, generates wealth and improves well-being. We champion fairness, challenge discrimination and pioneer innovative solutions to empower BAME communities through education, employment and enterprise.

Action For Race Equality

Report of the Trustees (incorporating a Chief Executive's Report) for the year ended March 2022

Achievements Against Key Objectives 2021-22

Action for Race Equality focuses on Black, Asian and Mixed heritage young people aged 10-30 and is committed to improving their education and employment outcomes. Keeping young people out of the justice system is one of our aims.

Report of the Trustees (incorporating the Chief Executive's Report)

During the year we hosted our organisation's 30th anniversary reception at Camden Arts Centre and announced our plan to change the name of the charity to Action for Race Equality (ARE). The new name and website have been positively received by organisations we work with, funders, our staff and those viewing the website for the first time and providing feedback.

It was a memorable occasion, organised by Tebussum Rashid, which included a Q&A session with author Reni Eddo-Lodge, poetry from Shareefa Energy and Zahid Hussain (ARE Trustee) and I reflected on our work over 30 years. The organisation presented me with an amazing surprise portrait by Fleur Boya, a temporary staff member, post graduate and artist. This received over a million views on social media!

As a charity we remain concerned about the government's lack of action to tackle the underrepresentation of young Black, Asian and Mixed heritage people in apprenticeships and we want to have assurance from the Government that Levelling Up will deliver equity for our Black and Asian communities in the most deprived areas of the country. Five years on from the Lammy review we want to see evidence of positive change for Black, Asian and Minority Ethnic and Muslim people in custody.

Our staff, role model and mentor volunteers have made a tremendous positive impact for: children and young people; Black and Asian led civil society organisations; unrepresented business start-ups and employers.

Our collaboration with several funders during and following the pandemic has helped channel more grant funding and capacity support to Black, Asian and minority ethnic organisations. We welcomed the establishment of the Baobab Foundation and Black Equality Organisation. Both should support the empowerment of African and Caribbean communities and organisations and bring national influence in the struggle to eradicate systemic racism.

Action For Race Equality through our EQUAL National Independent Advisory Group (NIAG) continued to meet on a quarterly basis and we have used a links with the Ministry of Justice (MoJ) and HM Prison and Probation Service to keep the focus on the need to improve outcomes for Black, Asian, Mixed heritage and Muslim people in the justice

Action For Race Equality

Report of the Trustees (incorporating a Chief Executive's Report) for the year ended March 2022

system. Layers of governance and processes only matter if they are underpinned with effective policies that eliminate racial inequalities.

We have responded to unexpected opportunities and demonstrated our agility to deliver quickly and effectively. For example, we received grants from Islington Council to enable us to deliver a business start-up grants and programme within six months and by Bloomberg Associates (on behalf of the GLA) to develop a new mentoring quality framework.

We continued to collaborate with various organisations to widen our reach and delivery. We participated in a wide range of advisory groups, the Hamilton Commission, Levelling the Playing Field steering group, supported academic criminal justice system research (Manchester Metropolitan University), supported partners leading on lobbying for important amendments to the Police Crime and Sentencing Bill; worked closely with the MoJ to deliver two ministerial round tables on race disparities.

One of our key strengths is our commitment to learn from what we do, improve and share this learning with other organisations. We also use this learning and especially the lived experience of young people in education and the labour market to influence policy makers and funders. This approach is integral to all our activities, especially those provided for children and young people. We know that many children and young people struggled under the lockdowns, lost loved ones and missed direct contact with family and friends. This experience impacted many children and young people in terms of mental health and well-being.

We would like to acknowledge those funders that have enabled us to strengthen the organisation's systems. Organisationally we are committed to update our HR policies, find the best ways of working in the hybrid environment and to efficiently track, analyse and report our impact.

We would like to thank the schools and the children and young people that take up our services provided by our inspirational Routes2Success role models and mentors, our NIAG members, the Moving on Up employer champions, our new and established funders, those that made donations including Glendower, Brent and Newham councils.

We acknowledge the excellent rebranding and new website done by Think First with support from the Action for Race Equality project team.

I am especially grateful for the support and guidance from Seema Manchanda (Chair), Laura Durrant (chair of ARE HR Subgroup) and our senior leaders.

Lastly without our dedicated staff, trustees and patrons there would be no organisation and impact - we thank them for their commitment to make a difference and the pride they take in the organisation and the inclusive culture they have developed.

Jeremy Crook OBE, Chief Executive

CHILDREN AND YOUNG PEOPLE

Routes2Success (R2S) – Ethnic Minority Community Role Model Programme

R2S offers group and 1-2-1 mentoring for children and young people and is delivered by a group of inspirational volunteer role models and mentors. Many of the young people we work with according to their schools, consider the children to have behavioural challenges and/or low self-esteem and confidence.

We are delighted to report that Action for Race Equality (ARE) achieved the London Youth Quality Mark (Bronze level) and thank our R2S Programme Manager for gathering the organisational evidence and the Project Coordinator for the support provided.

Black Men for Change (BM4C): *Change 21* programme (funded by GLA Violence Reduction Unit)

In the early part of the year much of our delivery for Change 21 continued on-line. The programme targets young Black people at risk of serious youth violence or not achieving their full potential. We delivered six sessions benefiting 33 young people (mostly young Black males). In addition, we delivered 1-2-1 mentoring for 10 young people. Working online presented challenges with attendance and lower rates of completed feedback forms from young people. The young people that participated provided positive feedback.

"Today's session was empowering and inspirational" **25-year-old Black male**

"Kemi's word of wisdom was very touching along with Michael's encouragement of self-motivation and life goals. It's important because some do need that motivational push." **25-year-old Black male.**

"I loved the session. I really needed the picking up in terms of motivation and increasing self-worth. The interview tips were super helpful, but Kem's speech really got to me and I loved the warmth of this." **21-year-old Black male.**

"Enjoyed discussing job interview techniques and am looking to perfect how I answer questions and also the follow ups" **25-year-old Black male**

"Was interesting and was good to gain some knowledge around interview techniques and preparation" **18-year-old Mixed heritage male.**

"It was helpful towards directing a future which I see as up in the air as of right now." **19-year-old Mixed heritage male.**

Action For Race Equality

Report of the Trustees (incorporating a Chief Executive's Report) for the year ended March 2022

Impact

Of the young people that attended our R2S online sessions we achieved the following impact:

- **84%** said that after the session they were more aware of what employers were looking for from an employee
- **76%** said that the event had made them more likely to start planning their future.

R2S Young London Fund (GLA)

We completed the final year and delivered 11 R2S sessions in four schools benefiting 44 ethnic minority males aged 10-15. We also recruited and inducted seven new volunteer role models.

A New Deal for Young People (GLA)

The Mayor of London's Mission - A New Deal for Young People - was created to ensure that 100,000 disadvantaged young Londoners have access to high quality mentoring opportunities, and that all young Londoners have access to quality local youth activities.

This mission is led by three co-chairs: Lib Peck (Director of the GLA VRU), Martin Pratt FRSA (Deputy Chief Executive & Executive Director Supporting People at London Borough of Camden) and ARE's Chief Executive. The mission is also supported by Bloomberg Associates who funded ARE to produce a new mentoring quality framework. ARE assembled a small project team and began developing the framework. Working closely with GLA and Bloomberg colleagues a thorough consultation exercise was undertaken with Civil society mentoring organisations and young people. The three co-chairs have formed a positive working relationship and liaised with London Funders to explore the potential for greater funding for mentoring.

R2S and Community Empowerment Network (CEN) programme (funded by National Lottery Community Fund)

This new three-year partnership programme with CEN started in July and allows us to benefit from CEN's expertise of supporting parents and to employ a new Project Coordinator. We have had nineteen parents referred from R2S to CEN and we have worked with CEN to deliver two parent forums.

Impact

This year 393 children and young people participated in R2S school-based programmes. R2S is based on every young person attending three sessions spread over a short period of time. We hope young people will benefit in four respects - increased self-esteem, feeling more confident about the future, wanting to continue in education and increased interest in entrepreneurship.

Action For Race Equality

Report of the Trustees (incorporating a Chief Executive's Report) for the year ended March 2022

- 46% (141) of the 307 young people that completed three sessions had increased self esteem
- 75% (267) of young people felt more confident about their future.
- 76% (272) stated they were more likely to remain in education.
- 63% (225) stated they were more likely to consider entrepreneurship.

Young people

*'If I had to rate R2S on a scale of 1-5, I would give it a 5. ** was absolutely motivational, and helped open my eye to things I never realised were a problem. She helped me figure out what I would like to do for my post 16, as well as the career I would like to pursue.'*

Year 10 student, Lea Valley Academy

"I think this session was very good and inspiring. I like that it was very interactive and everyone was encouraged to talk and discuss." **Year 10 student, Saracens High School.**

"I have learnt that education is for myself and just 1 subject can take you far in life and you can become successful." **Year 10 student, Enfield Grammar Boys' School.**

Schools

"I just wanted to send a quick message to say thank you for the workshops that you have put on for us over the last few weeks. The students have continued to talk about it and their positivity and language has really changed which is fantastic." **Assistant Headteacher, Heron Hall School**

"Thanks for that Brianna and thank you again for coming, the boys' attitude in the last session was a great difference." **Head of Year 8, Hatch End High School**

"Our boys are very excited about tomorrow and were very positive about the last session." **Black African and Black Caribbean Achievement Co-ordinator and Deputy Head of Mathematics, Gunnersbury School.**

EMPLOYMENT

Following the publication of the House of Commons Committee of Public Accounts *DWP Employment Support* report, ARE participated in two live interviews for BBC Radio 4 (World at One and Moneybox). The report highlighted that the impact of Covid on young Black people had been '*particularly acute, with rising to a 'shocking 41.6% in the last quarter of 2020 compared to an already high 24.5% a year earlier'*'. The Committee rightly recommended that DWP '*must obtain good-quality data for all claimants and ensure that its evaluations of all of its employment programmes include an assessment of the impact*

Action For Race Equality

Report of the Trustees (incorporating a Chief Executive's Report) for the year ended March 2022

for different groups, whether employment support schemes are reaching and working for everyone, and ensuring that no groups are left behind.'

In September 2021, on behalf of the Chair of the MoU Advisory Group, we wrote to Kwasi Kwarteng MP, the then Secretary of State for Business, Energy and Industrial Strategy urging him to require all employers with 50+ employees to monitor and publish information about job and apprenticeship applications and appointments by age, gender and ethnicity, and promote the *Inclusive Employers Toolkit* (IET) to all employers, actively encouraging them to adopt the toolkit actions and report on progress.

In April 2022 we received a response from the then Minister for Equalities and Levelling Up Communities, commending the MoU programme and highlighting the commitments made in the government's *Inclusive Britain* response to the CRED Commission.

Moving on Up (MoU) - supporting young Black men, 16-24, into good employment

Our MoU briefings highlighted the unemployment rate for young Black men in London remains significantly higher than for young White men. Of young men in London available for and actively seeking work, in the period July 2020 to June 2021, 37.2% of young Black men were unemployed, compared with 18.9% of young white men. Graduate unemployment rates for young Black men remain shockingly high and over three times the rate for young White male graduates. Of young men in the UK with degree level qualifications available for and actively seeking work in the period July 2020 to June 2021, 53% of young Black graduates were unemployed, compared with 15% of young White graduates.

ARE (and our partner Shared enterprise CIC Ltd) continued its role as strategic partner with Trust for London and City Bridge Trust to test our ground-breaking programme to eliminate the employment gap between young white men and young Black men in the capital. ARE was delighted when the funders agreed to provide a further two year's funding for the two MoU collective impact partnerships in the London borough of Brent and Newham.

From January 2020 to March 2022 Newham partners supported 90 young Black men with 22 moving into quality jobs paying London Living Wage or above. In Brent (Jan to Dec 2020) MoU partners engaged 178 young Black men with 68 progressing to employment of which 28 were London Living Wage and with a further 5 London Living Wage jobs secured for young black men from Dec 2021 to March 2022. Brent council secured additional funding for their MoU partnerships which strengthened and increased the number of civil society partners.

ARE organised regular Employer Champions meetings and explored ways to attract more employers to meetings. We focused on how to get more employers to adopt and

Action For Race Equality

Report of the Trustees (incorporating a Chief Executive's Report) for the year ended March 2022

implement the Mayor of London's Inclusive Employer Toolkit. The Trust for London commissioned the Behavioural Insights Team (BIT) to conduct the first London employer messages testing trial in relation to the IET and young Black men. MoU worked closely with the GLA's Workforce Integration Network on the BIT trial.

BIT message testing results

Our intention was to identify what messages and which message senders would have the greatest effect in encouraging employers to take action to improve employment outcomes for young Black men. The trial involved four message/messenger combinations:

- Two messages: one making a business and one making a social case for taking action
- Two messengers: the Mayor of London and a young Black male graduate

All emails included a direct call to action – urging recipients to click on the link to the IET. The emails sent from London.gov.uk email address in September 2021 to over 19,000 London based employers. Each employer was sent one of four message/messenger combinations, and effects of the four messages tracked. The trial shows that messages from someone in a leadership role, like the mayor, were more effective. But numbers were low: it took more than 19,000 emails to get around 30 toolkit downloads. Overall, the limited number of employers downloading the toolkit shows there is still a huge challenge to galvanise employers to embrace this diversity and inclusion issue.

MoU Young Black Male Ambassadors

ARE continued to engage with our small group of nine ambassadors and tried meeting with them on evenings and at the weekend to encourage more effective participation. Seven attended a Saturday session in February with two employer champions - WTW and Keyhaven Capital Partners Ltd. We are committed to have a group of young Black men inform the MoU programme but we recognise the challenges facing young people who are at work, studying or job searching.

Youth Futures Foundation (YFF)

In December we were delighted that our application to YFF Infrastructure Resilience Grant Programme was successful. Our project title is 'Action for Race Equality Infrastructure Organisation', and we were awarded a grant of £277k for two years. We will work closely with a group of ten Black and Asian youth employment organisations via peer-to-peer workshops, conferences and 'systems leaders' knowledge transfer to increase their capacity and connect them to funders including YFF. The project will also support a new Youth Panel.

Action For Race Equality

Report of the Trustees (incorporating a Chief Executive's Report) for the year ended March 2022

CRIMINAL JUSTICE SYSTEM

Our EQUAL team carried out a wide range of activities to drive change in the criminal justice system.

EQUAL National Independent Advisory Group

ARE organised productive quarterly meetings of the NIAG. Justin Russell, HM Chief Inspector of Probation, attended our December meeting and set out the inspectorate's approach to race equality and highlighted the findings from two thematic inspections: Race equality in probation (March 2021) and Black and mixed heritage boys on Youth Offending Team caseloads (Oct 2021). The NIAG welcomed the reports and the Chief Inspector's commitment to address race disparities through inspections. Alana Ajani, Programme Director – HMPPS Race Action Programme (RAP) also updated the NIAG on the implementation of the RAP action plan.

Reflective Review

We appointed The Social Business Company in October to undertake a reflective review of EQUAL's impact between 2018 to 2021. This entailed interviews with key stakeholders including NAIG members. The report was published in March 2022 and was considered by the NIAG. The report set out a strategy for ARE to consider to reset and strengthen its approach to making the criminal justice system inclusive and equitable.

National Probation Service (NPS London)

We successfully completed a 6-week project to assist NPS London in mapping Black, Asian and Minority Ethnic organisations that they can engage to give better outcomes to their young Black male and young Muslim male service users. We had 34 completions of the survey and 30 viable organisations given to NPS London. We developed a well-received Long-Term Strategy and NPS were pleased with both products.

Take Action: legal action workshops with EQUAL and Liberty

Throughout March to July 2021 EQUAL, in conjunction with Liberty the Human Rights organisation and facilitators from the Criminal Justice Alliance (CJA) and Maslaha, we organised online legal action workshops to upskill and inform smaller grassroots organisations working with ethnic minority communities in the criminal justice system. The main aim of the workshops was to help frontline and grassroots organisations to acquire legal tools to strategically challenge racial inequalities across the criminal justice system. The workshops overall received a great response, over 62 organisations applied to attend with 47 organisations located across the UK attending the workshops following a sifting process.

Action For Race Equality

Report of the Trustees (Incorporating a Chief Executive's Report) for the year ended March 2022

We received a positive blog from Racial Justice Network on their participation, and selected attendees were then interviewed by Baring Foundation's Dr Bharat Malkani on a new Legal Action research project.

#TimeToAct: policy series with Criminal Justice Alliance and Barrow Cadbury Trust | April - July 2021

Barrow Cadbury Trust (BCT) convened a discussion with colleagues from EQUAL, Clinks, and the Criminal Justice Alliance in Spring 2021, to explore how best to respond to David Lammy MP's call for the civil society sector to interrogate how far the Ministry of Justice and Her Majesty's Prison and Probation Service have implemented his Review's 35 recommendations. EQUAL responded by coordinating the first of a three-part series, *Reimagining the Lammy Review* in May 2021. This was followed up by two more events: Working with Police and Crime Commissioners to tackle race inequality (Criminal Justice Alliance and Centre for Justice Innovation), and the role of the voluntary sector and trust and foundations in tackling race inequality in the criminal justice system (Clinks and Barrow Cadbury Trust). Approximately, a total of 200 attendees tuned in to the whole series.

Signups from two of these online events were used to build EQUAL's newsletter database, which has seen a consistently high open rate average of 29.08% since starting in Spring 2021. (Not-for-profit average: 21.62%, Government Agency or Services average: 28.22%)

Rebranding and transition

In December EQUAL took part in a brand strategy and communications audit and refresh, with the support of BIOSCALE Studio - a branding specialist from Fivver platform.

We created a 'new look feel' for our comms, honed in on our key stakeholders and who we want to reach, as well as planning documents and tools needed to organise and manage long-term campaigns and editorial content. Following ARE's rebrand in February 2022, and ongoing theory of change and strategy work, we have now developed a separate theory of change for EQUAL, and are planning to incorporate it into ARE's corporate brand for greater impact, and consistency amongst projects.

Ethnic Inequalities in the Criminal Justice System research project

EQUAL has supported an ADR UK (Administrative Data Research UK), and Economic and Social Research Council funded project on *Ethnic Inequalities in the Criminal Justice System* by Dr Kitty Lymperopoulou (Principal investigator) and Dr Patrick Williams and Jon Bannister with further support from Clinks. In June 2022, we chaired a roundtable discussion at the Ministry of Justice (MoJ) with civil society organisations and the MoJ's data first team to share a summary of the research findings. A briefing of this work is forthcoming and will explore ethnic disparities in remand and sentencing.

Action For Race Equality

Report of the Trustees (Incorporating a Chief Executive's Report) for the year ended March 2022

Met Police External Advisory Board (EAB)

The Met had to deal with the tragic and disturbing murder of Sarah Everard by a serving police officer which ultimately led to the resignation of the Commissioner. The Mayor of London made clear that the Met had to deal with the culture of sexism, misogyny and racism that prevails in the organisation.

The Chief Executive attended quarterly meetings of the Commissioner/Acting Commissioner chaired by EAB. The Met strengthened its action plans which covered increasing the representation of ethnic minority police officers and getting a grip on a range of race disparities. While ARE (and many others) want the Met to build an inclusive and fair culture we do not believe it's possible to achieve this when the Met is responsible for administering a secret gangs' violence database when 80% of the young people on it are Black, and continuing to stop and search disproportionately high numbers of Black children and young men. The EAB allows for a small group of critical friends to push leaders to journey beyond their institutional comfort zones.

These policies and practices can only feed and allow to flourish those internal cultures that reinforce negative stereotypes about young Black men and girls.

Black Men for Change – Alliance for Police Accountability

This innovative project seeks to test out new ways of building trust and confidence between the Police and Black communities and take a public health approach to reducing violence in Black communities in England and Wales. Funding for phase one has been provided by Lankelly Chase Foundation.

ARE serves as the accountable body for the APA project. We employed a temporary senior researcher to produce a research/scoping and three-year programme proposal. We organised regular meetings of the APA Steering Group chaired by Lee Jasper. This phase has been delayed and the final phase one report and will be completed in December 2022.

FUNDING FOR BLACK, ASIAN AND MINORITY ETHNIC LED ORGANISATIONS

London Community Foundation – Building Resilience with Communities

ARE was selected as the Main Programme Partner for the JP Morgan Chase £2m three-year programme. The programme will provide funding for Black, Asian and minority ethnic organisations to strengthen them and their communities. We are involved in co-designing the programme; procurement of an external evaluator and capacity building partner; grant management; selection of grantees and supporting them as they spend the grant.

We also successfully submitted a proposal to LCF to run the Capacity Building element of the new funding programme.

Action For Race Equality

Report of the Trustees (incorporating a Chief Executive's Report) for the year ended March 2022

Rocket Science Ltd led ARE partnership GLA/VRU Stronger Voices programme

This new programme that will be active between June 2021 and Aug 2022. The grant programme value is £1.3m and will fund organisations to support young Londoners at risk of crime/already involved in crime. It will target support for after school hours to 10pm, weekends and holidays. The aim is to fund 20 organisations approximately £50-60k. ARE will provide capacity building support (webinars) to organisations applying for the fund, pre and post application; 1-2-1 support; and participate in the application assessment process.

Charities Aid Foundation (CAF) Resilience Fund

We are delighted that CAF has awarded us a grant (£126k) for 18 months from to Sept 2021 to March 2023, to develop our capacity and become a more resilient organisation. We are taking part in peer-to-peer learning every eight weeks and will be expected to develop a management roadmap to set out the use of funds.

ISLINGTON COUNCIL PROGRAMMES

Enterprise Support

Islington council gave ARE a grant of £24k which enabled ARE to support local Black, Asian and minority owned businesses from October 2021 to June 2022. Our target was to engage and support ten businesses with four days each one-to-one support and we have currently supported six. We organised three masterclasses and three action learning sets which have been well received. We also conducted a short scoping survey to identify impact of Covid on Black, Asian and minority owned businesses in the borough.

Islington Inclusive Entrepreneurship programme

The council gave a grant to ARE which enabled us to distribute £136k of grants to start-ups in the borough between January 2022 to March 2022. We identified and supported entrepreneurs from underrepresented communities including those from Black, Asian and minority backgrounds, women and those with disabilities. The programme consisted of a mix of grant funding (up to £10k) and support (as for Enterprise programme). We co-designed the application process and had 26 individuals/new start-ups apply for the seed funding. We funded 17 new start-ups with a range of grants between 5k and 10k and hosted workshops and action learning sets. We are grateful for the support we received from the Council in running this programme.

Action For Race Equality

Report of the Trustees (incorporating a Chief Executive's Report) for the year ended March 2022

PRODUCTS & PUBLICATIONS

Leadership Skills Toolkit (GLA Team London)

ARE delivered leadership skills workshops in collaboration with Preston Manor School and 14 of their students. The toolkit was launched in July online with Debbie Bernard-Weekes, GLA Deputy Mayor and a group of young people from Preston Manor School.

Youth Futures Foundation (YFF) Guide

ARE's Deputy Chief Executive joined YFF as a funding panellist for their Connected Futures Foundation funding round and was commissioned to produce '*Quick EDI Guide For Youth Futures Foundation Grant Assessors*'.

BTEG 2021 YOUNG PEOPLE SURVEY

In June we launched our survey which was based on the views of nearly 250 young people aged 16-24 from across the UK. The standout findings were young people's concerns about Covid-19, mental health and the effects of racial discrimination on their employment prospects. 75% of respondents agreed that an apprenticeship would be a good route to the careers they want to pursue. Our press release was covered by the Voice Online and the research was funded by Joseph Rowntree Charitable Trust.

ETHNIC MINORITY PEOPLE AND APPRENTICESHIPS

In July we published a twelve-page briefing entitled '*Ethnic Minority People And Apprenticeships In England*', which showed ethnic minority people are far less likely than White people to have done an apprenticeship. But the lower participation in apprenticeships is not due to the lack of interest. There is a mismatch between the geographic regions where Black, Asian and Mixed ethnicity young people live, and the regions where apprenticeship places are available. Over the period 2017-2020, 9% of White males reported that they had completed an apprenticeship, compared with 3% of Black or Asian males and just 1% of Asian females. We made five recommendations and called on the government to lead action with employers to tackle the continued underrepresentation of ethnic minority young people on apprenticeships in higher value sectors such as engineering and construction.

PLANS FOR THE FUTURE

Increasing ARE's policy and research capacity to cover education, employment and criminal justice system (CJS) policy areas will be a priority. This will be important as we run up to the next General Election. We have a strategy for strengthening our CJS policy

Action For Race Equality

Report of the Trustees (incorporating a Chief Executive's Report) for the year ended March 2022

and influencing work. Our priority is to translate this into an attractive funding proposition to attract potential funders.

ARE will also play a role in creating a new Alliance for Racial Justice and will work closely with other race equality organisations to ensure our collective voice at the national level is stronger.

We hosted two online consultations on racial terminology this year and we will launch the UK Racial Terminology survey next year.

Making sure we have the appropriate infrastructure and human resources to deliver on existing and future programme opportunities remains important.

Review of the Financial Position

The majority of income of the charity is from grants. The income of the charity for the year was £946,822 (2021- £807,331) and the resources expended were £819,713 (2021 - £612,925). The charity received grants from a number of new funders as set out in the notes to the accounts. The grants from funders such as Islington Council, Comic Relief etc were to enable the charity to support civil society organisations by giving them financial grants and capacity building structures. The unrestricted reserves at the financial year end were £304,117 with further designated reserves of £203,000 towards future projects to do with education, entrepreneurship, employment and the criminal justice system.

As with other charities of similar size and sector the inherent nature of grant funding is of short-term duration. The charity runs different projects to achieve its core objectives. Similar to other charities in this sector, it is finding it increasingly difficult to attract suitable funds to carry out all the objectives it wishes to achieve.

Reserves Policy

The charity's aims to hold free reserves equivalent to approximately six months of charitable spending in order to continue to fund the core activity of the charity including support and governance costs. The free reserves which are a part of the unrestricted reserves are held to make sure the charity can maintain its core activities and meet its liabilities including liabilities to staff whilst awaiting the outcomes of grant applications.

The free reserves held by the charity at the financial year end were £304,117 and represent approximately six months of costs.

Staff

All staff are directly engaged in activities in furtherance of the objectives of Action For Race Equality and their cost has been allocated accordingly. The largest

Action For Race Equality

Report of the Trustees (incorporating a Chief Executive's Report) for the year ended March 2022

expenditure of the charity is staff costs and these are consistently reviewed to ensure optimization of the charity's resources.

Structure, Governance and Management

The organization is a charitable company limited by guarantee. The charitable company was incorporated on 24 May 1996 and registered as a charity on 10 June 1996. The registered charity operates within its memorandum and articles of association. Action For Race Equality is a charity limited by guarantee. The guarantee of each member is limited to £1

Governance and Management Structure

The Board of Trustees is comprised of individuals from the voluntary, private and public sectors with a broad range of knowledge and experience relevant to the charity. The Board convenes throughout the year and holds an additional strategic planning away day.

Action For Race Equality Trustees have delegated management of the Action For Race Equality to the Executive Director who reports on performance against the Strategic Plan approved by the Trustees.

Risk Assessment

The Board of Trustees constantly review and assess the risks to which the charity is exposed, particularly our activities at national level, operational and financial risks.

Trustees' Responsibilities

Charity and company law require the Board of Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and the incoming resources and application of resources, including income and expenditure, for the financial year. In preparing the financial statements the trustees should:

- Select suitable accounting policies and applied them consistently
- Make judgments and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue on that basis.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the

Action For Race Equality

Report of the Trustees (incorporating a Chief Executive's Report) for the year ended March 2022

assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware at the time of approving our trustees' annual report:

- 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 them themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 legislations in other jurisdictions.

Auditors

Able & Young acted as the auditors of the charitable company and have expressed their willingness to continue in that capacity.

Small company exemption

This report of the Directors has been prepared in accordance with the Companies Act 2006 relating to small companies.

By order of the Board

A handwritten signature in black ink, appearing to be 'D Izamoje', with a long horizontal stroke extending to the right.

D Izamoje

Dated: 15 December 2022

ACTION FOR RACE EQUALITY (Formerly known as BLACK TRAINING AND ENTERPRISE GROUP LIMITED (BTEG))

Independent auditors' report

to the members of Action For Race Equality, formerly known as Black Training and Enterprise Group Limited (BTEG)

We have audited the financial statements of Action For Race Equality, formerly known as Black Training and Enterprise Group Limited (BTEG) for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet, the Consolidated Balance Sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the requirements of the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with Section 495 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Responsibilities of trustees Statement as set out on page 17-18, the trustees (who are also directors of the charitable company) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' (Directors') Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

ACTION FOR RACE EQUALITY (Formerly known as BLACK TRAINING AND ENTERPRISE GROUP LIMITED (BTEG))

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:

Based upon our understanding of the company and the industry , we identified that the principal risk of non compliance with laws and regulations related to company law applicable in England and Wales, and we considered the extent to which non compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. such as the Companies Act 2006 and payroll tax .

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the override of controls) testing the appropriateness of journal entries and other adjustments, assessing whether judgement made in making accounting estimates are indicative of potential bias.

Audit procedures included:

- Enquiring with management regarding correspondence with regulators and tax authorities;
- Evaluating management controls designed to prevent fraud and detect irregularities;
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2022 and of the group's 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 properly prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' (Directors') Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ACTION FOR RACE EQUALITY (Formerly known as BLACK TRAINING AND ENTERPRISE GROUP LIMITED (BTEG))

Matters on which we are required to report by exception

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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report.

Rekha Shah

Rekha Shah FCCA CTA
Senior Statutory Auditor
For and on behalf of Able & Young, Statutory Auditors
Airport House
Purley Way
Croydon
Croydon CRO 0XZ

Dated. 19 December 2022

Action For Race Equality
(A company limited by guarantee)

Consolidated statement of financial activities
(Including consolidated income and expenditure account)

For the year ended 31 March 2022

	Notes	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	Total Funds 2021
		£	£	£	£
Income					
Donations and legacies		34,484	-	34,484	45,571
Income from charitable activities		214,420	625,857	840,277	681,819
Other trading activities		71,620	-	71,620	79,710
Investment income		441	-	441	231
Total income	2	<u>320,965</u>	<u>625,857</u>	<u>946,822</u>	<u>807,331</u>
Expenditure					
Raising funds		50,741	-	50,741	64,109
Charitable activities		101,187	667,785	768,972	548,816
Total resources expended	3	<u>151,928</u>	<u>667,785</u>	<u>819,713</u>	<u>612,925</u>
Net incoming/(outgoing)					
Resources before transfers		169,037	(41,928)	127,109	194,406
Transfers between the funds		(7,330)	7,330	-	-
Net movement in funds for the year		<u>161,707</u>	<u>(34,598)</u>	<u>127,109</u>	<u>194,406</u>
Fund balances brought forward at 1 April 2021		<u>345,410</u>	<u>131,451</u>	<u>476,861</u>	<u>282,455</u>
Fund balances carried forward at 31 March 2022	15	<u>507,117</u>	<u>96,853</u>	<u>603,970</u>	<u>476,861</u>

The charity derived its income from continuing charitable grants and activities. The results also include income and expenses of the trading subsidiary.

There were no recognised gains and losses other than those included in the statement of financial activities above.

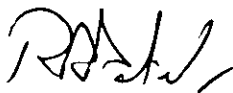
Action For Race Equality
(A company limited by guarantee)

Consolidated balance sheet
As at 31 March 2022

	Notes	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	9		1		1
Current assets					
Debtors	11	17,460		69,678	
Short term investments	12	155,923		155,840	
Cash at bank and in hand		759,134		583,538	
		<u>932,517</u>		<u>809,056</u>	
Creditors - amounts falling due within one year	13	<u>328,548</u>		<u>332,196</u>	
Net current assets			<u>603,969</u>		<u>476,860</u>
Net assets			<u>603,970</u>		<u>476,861</u>
Funds					
Income funds					
Unrestricted funds					
General funds			304,117		253,754
Designated funds			203,000		91,656
Restricted funds			<u>96,853</u>		<u>131,451</u>
Total funds	15		<u>603,970</u>		<u>476,861</u>

The trustees have prepared group accounts in accordance with the Companies act 2006, s. 398 and the Charities Act 2011, S. 138. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

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



R Patel MBE
Trustee

Date: 15 December 2022


Action For Race Equality
(A company limited by guarantee)

Charity balance sheet
As at 31 March 2022

			2022	2021
	Notes	£	£	£
Fixed assets				
Tangible assets	9		1	1
Investments	10		2	2
			<u>3</u>	<u>3</u>
Current assets				
Debtors	11	870	47,623	
Short term investments	12	155,923	155,840	
Cash at bank and in hand		749,042	573,645	
		<u>905,835</u>	<u>777,108</u>	
Creditors - amounts falling due within one year	13	<u>326,082</u>	<u>312,729</u>	
Net current assets			<u>579,753</u>	<u>464,379</u>
Net assets			<u>579,756</u>	<u>464,382</u>
Funds				
Income funds				
Unrestricted funds				
General funds			279,903	241,455
Designated funds			203,000	91,476
Restricted funds			<u>96,853</u>	<u>131,451</u>
Total funds			<u>579,756</u>	<u>464,382</u>

The directors have prepared company's accounts in accordance with the Companies act 2006, s. 398 and the Charities Act 2011, S. 138. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

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



R Patel MBE
Trustee

Date: 15 December 2022

Action For Race Equality
(A company limited by guarantee)

cash flow statement
For the year ended 31 March 2022

	Notes	Group 2022	Charity 2022	Group 2021	Charity 2021
		£	£	£	£
Cash provided (used) in operating activities	16	178,131	177,932	385,364	386,756
Cash flows from investing activities:					
Interest income		441	441	231	227
Taxation			-	-	-
Purchase of tangible fixed assets		(2,976)	(2,976)	(4,437)	(4,437)
Net cash used in investing activities		(2,535)	(2,535)	(4,206)	(4,210)
Change in cash and cash equivalents in the year		175,596	175,397	381,158	382,546
Cash and cash equivalents brought forward		583,538	573,645	202,380	191,099
Cash and cash equivalents carried forward		759,134	749,042	583,538	573,645

Action For Race Equality
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

1 ACCOUNTING POLICIES

The principle accounting policies, which have been applied consistently, are as follows:

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Action For Race Equality 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 notes.

1.2 Company status

The company is limited by guarantee. The guarantors are the directors of the company.
The liability in respect of the guarantee is limited to £1 per member.

1.3 Going concern

The financial statements have been prepared on a going concern basis, which is dependent upon the availability of adequate continued funding. The nature of the company's funding is inherently uncertain and should grant funding be discontinued in the future years, the charity would have to find other sources of funding, or significantly curtail its activity.

After reviewing the charity's forecasts and projections, the trustees have a reasonable expectations that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.4 Group financial statements

The consolidated financial statements comprise Action For Race Equality, the charity, and its wholly owned subsidiary ARE Enterprise Ltd . A separate Statement of Financial Activities and income and expenditure account for the charity has not been presented because the Charitable Company has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Action For Race Equality
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022 (continued)

1.5 Fund accounting

Unrestricted funds

Unrestricted funds are grants and other income received or generated for the objects of the charity without further specified purpose and are available as general funds.

General funds are available for use at the discretion of the trustees in the furtherance of the general objectives of the trust.

Designated funds represent unrestricted funds allocated by trustees for particular purposes.

1.6 Restricted funds

Restricted funds are funds to be used for specified purposes based on the conditions imposed by the donors.

All income and expenditure is shown in the Statement of Financial Activities.

1.7 Income

Income from grants and donations, including capital grants, is included in the Statement of Financial Activities when the charitable company is entitled to the funds, any performance conditions attached to the grants have been met and the amount can be measured with reasonable certainty. Income is deferred when the charitable company has to fulfil conditions before becoming entitled to it or where it is received for use in a future accounting period. The notes to the Statement of Financial Activities show the gross amount received together with the changes in the amount deferred. Deferred income is included in creditors.

Income from charitable trading activities is included in income in the period in which the activity takes place and includes income receivable for training, consultancy, conferences, commission and publication sales.

1.8 Resources expended

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Expenditure items have been classified under headings that aggregate all costs related to each category. Where costs cannot be directly attributed to particular activities, they have been allocated on the basis of staff time spent on each activity.

Staff costs and overhead expenses, including any support or governance costs, are allocated to activities on the basis of staff time spent on those activities.

Costs of raising funds are those costs arising from trading activities.

1.9 Pension costs

The company operates a money purchase (defined contribution) pension scheme. Contribution payable to this scheme are charged to the statement of financial activities in the period to which they relate. These contributions are invested separately from the company's assets.

Action For Race Equality
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022 (continued)

1.10 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less the estimated residual value over the expected life of each asset as follows:

Equipment - on a straight line basis over 1 to 3 years

1.11 Investments

Investments in subsidiary undertakings are recognised at cost.

1.12 Current assets

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

1.13 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less.

1.14 Creditors and provisions

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

Action For Race Equality
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022 (continued)

2 Incoming resources

	2022 £	2021 £
Restricted Funds		
AB Charitable Trust	25,000	45,000
Baring Fund	-	30,000
Barrow Cadbury Trust	25,750	24,750
Big Lottery Fund	57,763	31,600
Comic Relief	-	350,000
Esmée Fairbairn Foundation	34,000	17,000
Greater London Authority - Young Londoners Fund	22,500	48,000
Hackney Council CSV	30,941	21,991
Islington Council	274,500	-
Lankelly Chase Foundation	51,156	30,000
London Community Fund	9,000	15,000
Trust for London	115,000	9,865
Others	20,000	-
Grants received in advance	(39,753)	(82,889)
Total restricted Grants	625,857	540,317
Unrestricted Funds		
Big Lottery	-	50,000
Charities Aid Foundation (CAF)	104,500	-
City Bridge Trust	-	41,250
Joseph Rowntree Charitable Trust	36,667	55,032
Income from charitable activities	23,121	45,045
Other grants	-	20,220
Donations	34,484	45,571
Grants received in advance	50,132	(70,045)
	874,761	727,390
Activities for generating funds	71,620	79,710
Investment income: Bank interest	441	231
	946,822	807,331

Income is accounted for on a receivable basis. Where income is received in advance and the expenses may not have been incurred relevant to that income the excess income is carried forward and utilised in subsequent period or year.

All the above restricted funds have been spent and the expenditure is noted in note 3 to the accounts. Where the grant period straddles the accounting year the unspent part of the grant is carried forward as a restricted reserve and is spent in the subsequent period.

Action For Race Equality
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022 (continued)

3 Total resources expended

	Projects & partnerships	Policy & influence	Poverty & Employment	Support costs	2022 Total	2021 Total
	£	£	£	£	£	£
Staff and external staff costs	94,815	145,948	245,093	44,399	530,255	418,458
Training and recruitment	243	488	452	64	1,247	472
Premises	4,272	6,986	12,510	-	23,769	26,014
Conference/seminar facilities	3,105	232	981	706	5,024	131
Communications	1,399	1,535	9,835	1,401	14,170	8,956
Grants / Payments to partners	-	-	234,945	-	234,945	150,000
Travelling and subsistence	215	27	1,631	555	2,428	1,038
Audit and legal fees	27	603	940	576	2,146	1,920
Depreciation	-	-	2,976	-	2,976	4,437
Other	2,753	-	-	-	2,753	1,500
	<u>106,830</u>	<u>155,819</u>	<u>509,363</u>	<u>47,701</u>	<u>819,713</u>	<u>612,925</u>
Restricted						
Charitable activities					667,785	471,615
Unrestricted						
Costs of generating voluntary income					50,741	64,109
Charitable activities					<u>101,187</u>	<u>77,201</u>
					<u>819,713</u>	<u>612,925</u>

Action For Race Equality
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022 (continued)

4 Net Incoming resources before transfers

This is stated after charging:

	2022	2021
	£	£
Directors emoluments	-	-
Depreciation	2,976	4,437
Operating leases - land and buildings	17,865	23,453
Auditors' remuneration		
Audit fee	2,400	1,920
	<u>2,400</u>	<u>1,920</u>

5 Staff costs

Staff costs during the period were as follows:

	2022	2021
	£	£
Salaries and wages	314,606	287,169
Social security costs	27,581	24,633
Other pension costs	23,431	21,568
	<u>365,618</u>	<u>333,370</u>

One employee earned, as defined for taxation purposes, £60,000 or more.

The average number of employees during the period, analysed by function was:

	2022	2021
	Number	Number
Direct charitable expenditure		
Chief officer	1	1
Others	9	7
Management and administration	1	1
	<u>11</u>	<u>9</u>

6 Pension costs

Money purchase (defined contribution) pension scheme

The charity operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £23,431 (2021 - £21,568).

Action For Race Equality
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022 (continued)

7 Taxation

As a registered charity under the Charities Act 2011, income from charitable activities is exempt in accordance with sections 466–493 of the Corporation Tax Act 2010.

8 Trustees' Remuneration and expenses

The trustees nor the directors received any remuneration during the period for acting as trustees.

All the trustees and directors are entitled to have their expenses reimbursed.
These expenses were reimbursed as follows:

	2022	2021
Travelling and subsistence expenses	<u>£98</u>	<u>£26</u>

L Durrant received £1,350 for professional services provided to the charity.

9 Tangible fixed assets

Group and the charity

	Furniture and equipment £
Cost	
At 1 April 2021	11,905
Additions	2,976
At 31 March 2022	<u>14,881</u>
Depreciation	
At 1 April 2021	11,904
Charge for the year	2,976
At 31 March 2022	<u>14,880</u>
Net book value	
At 31 March 2022	<u>1</u>
At 31 March 2021	<u>1</u>

Action For Race Equality
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022 (continued)

10 Net Income from trading

The charity has one trading wholly owned subsidiary, ARE Enterprise Ltd (formerly BTEG Limited), which is incorporated in the UK and registered in England, the accounts of which are audited and filed at Companies House. A summary of its financial position is given below.

Profit and loss account of ARE Enterprise Ltd	2022	2021
	£	£
Turnover	71,620	79,710
Expenses	(49,886)	(62,126)
Covenanted payment to charity	(10,000)	(17,588)
	<u>11,734</u>	<u>(4)</u>
Interest receivable	1	4
Profit on ordinary activities after taxation	<u>11,735</u>	<u>-</u>
Summarised balance sheet of ARE Enterprise Ltd	2022	2021
	£	£
Current assets	54,469	65,723
Creditors: amounts falling due within one year	(30,253)	(53,242)
Net assets	<u>24,216</u>	<u>12,481</u>
Called up share capital	2	2
Profit and loss account	<u>24,214</u>	<u>12,479</u>
	<u>24,216</u>	<u>12,481</u>

The charity's investment in ARE Enterprise Ltd is two ordinary shares of £1 each, being the whole issued share capital of ARE Enterprise Ltd.

Action For Race Equality
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022 (continued)

11 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	16,590	67,830	-	12,000
Amount due from subsidiary undertaking	-	-	-	33,775
Other debtors	870	1,848	870	1,848
	<u>17,460</u>	<u>69,678</u>	<u>870</u>	<u>47,623</u>

12 Short term investments

This is a 90-day fixed interest rate deposit held with Nationwide.

13 Creditors - amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	6,166	15,283	4,166	13,683
Amount due to subsidiary undertaking	-	-	27,786	-
Taxation and social security costs	2,752	-	-	-
Other creditors and deferred income	319,630	316,913	294,130	299,046
	<u>328,548</u>	<u>332,196</u>	<u>326,082</u>	<u>312,729</u>

14 Analysis of net assets between funds

	Unrestricted	Restricted	Total
	General	funds	funds
	£	£	£
Fixed assets	1	-	1
Current assets	550,750	381,767	932,517
Current liabilities	(43,634)	(284,914)	(328,548)
Total net assets	<u>507,117</u>	<u>96,853</u>	<u>603,970</u>

Action For Race Equality
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022 (continued)

15 Statement of funds

	Notes	Balance 31 March 2021 £	Incoming £	Outgoing £	Transfers £	Balance 31 March 2022 £
General funds		253,934	320,965	(151,928)	(118,854)	304,117
Designated funds		91,476	-	-	111,524	203,000
Restricted funds	a	131,451	625,857	(667,785)	7,330	96,853
Total funds	b	476,861	946,822	(819,713)	-	603,970

The balances will be carried forward and used as follows:

- a The balance will all be utilised in the forthcoming months to meet the delivery commitments made by the charity.
- b The balance will be used to continue the funding of the charity's mission.

Due to the short term nature of the funding that the charity receives the charity is building up a six month reserve, on grounds of prudence, to finance its activities during the time lag between existing grants expiring and new sources of funds being obtained and in the event of any unforeseen circumstances.

Designated funds are funds

Designated funds are unrestricted funds that have been set aside at the discretion of the trustees for following purposes.

	2022 £	2021 £
Service development, research and staffing fund	91,476	68,249
Transfers	111,524	23,227
	<u>203,000</u>	<u>91,476</u>

The charity wishes to continue its successful work in developing policy research, enterprise and employment Routes 2 Success and Equals projects. It is seeking funding to continue this work and has designated some of its reserves whilst obtaining this funding.

Action For Race Equality
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022 (continued)

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

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Net incoming resources				
(as per the statement of financial activities)	127,109	194,406	115,374	194,406
Depreciation charge	2,976	4,437	2,976	4,437
Interest income	(441)	(231)	(441)	(227)
Decrease (increase) in short term investments	(83)	(88)	(83)	(88)
Decrease (increase) in debtors	52,218	(37,477)	46,753	(17,772)
Increase (decrease) in creditors	(3,648)	224,317	13,353	206,000
Net cash provided by operating activities	<u>178,131</u>	<u>385,364</u>	<u>177,932</u>	<u>386,756</u>

17 Commitments under operating leases

	2022	2021
Total commitments	<u>4,032</u>	<u>4,032</u>