

Company Registration Number - 03758674

The Charity Registration Number is :- 1077002

The Ethnic Inclusion Foundation

Report and Accounts

31 December 2022

The Ethnic Inclusion Foundation

Report and accounts for the year ended 31 December 2022

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Trustees' Annual Report for the year ended 31 December 2022

The Trustees present their Report and Accounts for the year ended 31 December 2022, which also comprises the Directors' Report required by the Companies Act 2006.

Reference and administrative details

The charity name.

The legal name of the charity is:- The Ethnic Inclusion Foundation.

The charity is also known by its operating name, EIF.

The charity's areas operation and UK charitable registration.

The charity is registered in England & Wales with the Charity Commission in England & Wales (CCEW) with charity number 1077002.

The charity does not operate in any overseas jurisdictions.

Legal structure of the charity

The charity is constituted as a company limited by guarantee, registered under the Companies Acts . The governing document of the charity is the Memorandum and Articles of Association establishing the company under company legislation.

The governing document is dated 21 April 1999 as amended on 28 Sept 2022

There are no restrictions in the governing documents on the operation of the Charity or on its investment powers other than those imposed by Charity Law.

By operation of law all, trustees are directors under the Companies Act 2006 and all directors are trustees under Charities legislation and have responsibilities, as such, under both company and charity legislation.

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The principal operating address, telephone number, email and web addresses of the charity are:-

Boardman House

64 Broadway, Stratford

London, E15 1NT

Telephone 2088101664

Email Address info@ethnicinclusion.org.uk Web address www.ethnicinclusion.org.uk

The registered office of the charity for Companies Act purposes is:-

126-128 Uxbridge Road

London, W13 8QS

Enter in step 4.12, Enter in step 4.13

The following persons served as Trustees during the year ended 31 December 2022 :-

Mr A Bhanot	Director (Managing)
Dr S Bhanot	Director (Health Non-Executive)
Mr S Syan	Director (Legal Non-Executive)
Mr D Joshi	(Resigned 21 April 2023)

All the trustees are individuals

The trustees who served as a trustee in the reporting period were as shown above, and there were no other changes during the year, or in the period between the year end and the approval of the accounts.

At the Annual General Meeting Trustees who retire every five years are re-elected if eligible for reappointment.

All the trustees are also members of the charity.

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Objects and activities of the charity

The purposes of the charity as set out in its governing document.

EIF raises its surplus for charitable purposes, by rentals of its investment property and other social enterprise activities on conferences and training. EIF's aims and objectives are encapsulated in its newly defined inclusivity goals on Equality, Health and Sustainability. Our focus remains on the Ethnic communities resilience and development under those three goals but on a wider scale for all communities and cultures. Diversity of cultures from the globe bring a natural dynamic change to the country but for a positive change, this diversity must be challenged by a shared value system, leading to an overall integration of people.

EIF delivers its aims through the delivery partners Peepul Centre Charity and its trading arm the Peepul Enterprises Ltd. For EIF's aim to reduce poverty it gives small grants, as and when required, to an independent Charity based in India, Peepul Delhi, to uplift the very disadvantaged communities, and particularly women to be economically self-reliant through micro-business entrepreneurship

EIF, thus, in a nutshell, formulates the charity strategies and then to deliver those strategic aims it uses its surplus funds to carry out projects by its delivery partners.

The main activities undertaken in relation to those purposes during the year.

EIF manages its business community investment property in order to generate sufficient funds to support its charity works and meet the group's objectives. EIF carried out projects of social justice and community empowerment with its communities outreach.

EIF runs the East London Centre (ELC) for conferences and meetings at affordable rates, for primarily but not exclusively, the Ethnic and Health organisations with a charitable ethic, e.g., Churches, Foster Care Organisations, Police Security Training, Yoga and Wellbeing, and Ambulance Services Training.

EIF continued to work with Careif the Mental Health partner organisation, whilst for the present its Trustee on Health is delivering a project in the subsidiary Charity Peepul Centre by running a Mental Health Neighbourhood Crisis cafe at the Peepul Centre for the ethnic communities of the somewhat marginalised area of Belgrave in Leicester.

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The main activities undertaken during the year to further the charity's purpose for the public benefit.

EIF project on Health and Wellbeing, in partnership with Careif, is a long term project to help create a Mental Wellbeing institution for the Ethnic Communities so that their health issues can be dealt with in a culturally specific manner apt to their wellbeing, which would allow for familial, spiritual and cultural factors. To this end, a data gathering evidence is presently being compiled at EIF's subsidiary Peepul Centre Charity, our delivery partner.

EIF uses its surplus funds to meet the running costs of the Peepul Centre Charity and its social enterprise trading arm Peepul Enterprises Ltd. Peepul Centre is a large 100,000 sq.ft. community arts leisure centre providing services to the local communities of the Belgrave area where the Centre is situated, the majority of whom is of Ethnic extraction.

Peepul Centre is a national focal point in the Belgrave area of Leicester demonstrably bringing together people from all social, economic and cultural backgrounds. It is a model for a community centre of excellence, delivering high class services in the performing arts, dance and music, fitness and sports activities including for differently-abled individuals, childrens nursery facilities, catering and weddings and conferences facilities, and generally improving community life styles as a social enterprise at affordable rates, and with charitable aims. The concept is to help build and support vibrant self-sustaining communities through innovation, entrepreneurship and partnership working. Thus in the entire EIF group structure a large number of community organisations and a large number of people benefit.

Peepul Centre is a mega-lithic project which is sustained through EIF funding primarily, though the Health and Wellbeing project is funded by a partnership with the NHS. Efforts are being made to partner with the Arts Council England (ACE) to fund theatre projects, with a medium term aim of gaining an NPO (National Portfolio) status with ACE. Peepul Centre continued to facilitate the NHS Vaccination programme in its large auditorium and atrium spaces until May 2022.

EIF Trustees have had regard to the Charity Commission's guidance on public benefit in managing the activities of the Charity.

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The short term and longer term aims and objectives.

Long term aims of the Charity is to continue on its goals of Equality for all, Health and Wellbeing of the People and Sustainability of living, with special but not exclusive focus on the ethnic communities. Our projects are undertaken with a view to achieving these goals in the long term.

For instance the Health and Wellbeing project in the short term is gathering ethnic culturally specific evidences at the Peepul Centre Charity but its ultimate aim is to feed that data into the long term project of EIF to help establish an institution for Ethnic Communities designed to suit their cultural specific needs.

Likewise, if ACE can partner with Peepul Centre Charity to help develop its theatrical programme, with funding, then EIF funds can be released for other pending projects under Equality, and in particular presently our Sustainability projects the Trustees would like to fund are presently constrained by the pressures of channelling our surplus funds to fill the deficit gap at Peepul Centre. The Chairman has in the past had to persuade some other EIF Trustees to continue funding the Peepul Centre for the sake of the communities on the premise that we are working with ACE to release public funds for the on theatre projects, which is the area that continues to make substantial losses, without ACE help. The public funds from ACE will help create the arts and cultural activity at Peepul Centre that will bring benefits, not only to the community and the Asian artists, but this extra activity will begin to generate sufficient extra income for Peepul Centre to begin to move towards its own self-reliance goal, so to stand on its own feet, financially. Particularly, the ACE partnership will help create an even playing field for Peepul Centre with the other local theatre NPO's, which are all well-funded by ACE.

EIF took over the Peepul Centre in 2012 when it was running at a huge unmanageable loss and since then the new management cut those large losses to a more sustainable figure, but post Covid the Peepul Enterprises business levels have not yet fully recovered. Nonetheless, the major part of the losses are due to the under-utilisation of the Theatre space which EIF has no surplus funds to develop the arts for. This purpose built theatre was built by the ACE finances in 2005 and the old management's efforts thereafter to turn it into an NPO did not sadly materialise. The new management since 2012 has been trying to utilise this space more and more for the development of the Asian performing arts and now is hopeful for a more positive outcome with ACE.

The charity's strategies for achieving its aims and objectives in the future.

EIF strategy is to continue funding projects that fulfil the Charity aims by delivering through our group and partner Charities looking after the Ethnic and other communities, including where required uplifting the disadvantaged communities.

How the activities undertaken during the year contributed to the achievement of the aims and objectives.

The Charity and the Group activities are solely in line with the Charity's aims and objectives and their achievement thereof. Activities mentioned above all contribute to the delivery of Charity's objectives.

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Resources used in the activities undertaken during the year.

EIF raises its funds for charitable purposes through the efficient running of its rentals business and other social enterprise activities mentioned above. The staff resources are adequately remunerated and partners relationships are worked upon amicably to help deliver our activities

The main achievements and performance of the charity during the year.

Main achievement for the EIF Charity this year was to see the recovery of the East London Centre for Conferences, and also bring back post-Covid the rental tenants to occupy empty space created during Covid, thus creating surpluses again for our social enterprises projects.

The difference the charity's performance during the year has made to the beneficiaries of the charity.

Charity's performance to raise funds and create sufficient surpluses to support large group projects is essential, which has continued to serve the communities and fulfil our objectives.

The degree to which the achievements and performance during the year have benefited wider society.

By EIF supporting our group Charities we have ensured the Peepul Centre used as a Vaccination hub for a substantial population of Leicester, other charitable projects mentioned above have benefited the wider society through Arts, Fitness, Childrens Nursery, Health & Wellbeing and educational activities.

The performance of material fundraising activities during the year against the fundraising objectives set.

EIF fundraising is mainly due to its running its social enterprise activities of renting the property it owns, together with providing conference facilities and training.

EIF group subsidiaries predominantly raise funds through their social enterprise activities also but now the PC Charity raises some funds from the NHS for their health and wellbeing work, and for its theatre some funds are raised with ACE.

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Investment performance against the investment objectives.

EIF raises funds through its investment income with maximising performance which is reviewed regularly, at least quarterly. Investment performance has been good and satisfactory during the year.

Expenditure incurred in the year in order to raise income in the future.

Capital expenditure to upgrade the Air Conditioning system was authorised and contracted for in the year and expended in 2023.

Structure, governance and management of the charity

The methods used to recruit and appoint new charity trustees.

Trustees training and recruitment remains an ongoing process and some of them are required to take continuing professional development (CPD) courses in their own professions.

Governance is strengthened with the appointment of a highly skilled professional team with business and regulatory experience. One of the Trustees, Anil Bhanot, is the managing director (MD) tasked with running the business efficiently and ethically to create a surplus which can then be expended on charitable projects. EIF is a social enterprise charity and for its business part Anil Bhanot ensures that his fellow Trustees/Directors are not exposed to any risk, which before his appointment of MD, the EIF Trustees had experienced risk exposure by delegating authority to non-director employees, and particularly so in relation to the business creditors. Hence our Governance model is unlike other public funded Charities and equally one with a strong policy to avoid any conflicts of interest. For instance where public funds are received in the EIF Group, namely the subsidiary Peepul Centre Charity, these funds are monitored rigorously and checked by another Trustee independent of the MD.

Each of the Boards of the companies within the EIF Peepul Group have at least one different Trustee to ensure independence but at the same time to ensure a complimentary working environment for our shared aims, one Trustee Anil Bhanot is elected to sit on all the Boards as Chair.

EIF Charity Trustees are the members of the Charity, with no beneficial interest in the Charity, and each member guarantees to contribute £10 in the event of a winding up.

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The policies and procedures for the induction and training of trustees.

The Board of Trustees carries out an annual review of Governance. The aim is to assess the general effectiveness of the Board and also to identify any changes in process. The Board meets regularly to review the composition of the Trustees to achieve Charity's aims and also to identify any changes in process.

Trustee vacancies are advertised as and when required and on appointment are given full induction with all past disclosures and business contentions before their full acceptance of the position.

Any person or corporation desiring to become a trustee of the Charity may submit an application in writing to the Board signed by him or her on its behalf for admission in a form approved by the Board, and every such application shall be considered by each of the existing trustees to be voted upon with 2/3rds majority in favour of the appointment is elected. No reason for refusal to admit an application is given.

The charity's organisational structure.

EIF is the sole parent of the Peepul Centre Charity (PC which in turn owns 100% of its trading arm Peepul Enterprises Ltd (PEL). Each Charity is distinct but complimentary in its aims and objectives. Each Charity has non-identical Board of Trustees, with different specialism and general experience, but are chaired by one Trustee across the Group to help maintain a united approach in prioritising each Charity's aims in a complimentary way.

The EIF Charity raises its revenue through its own investment property rental activities and other social enterprise activities. EIF is the Charity that does the strategy on the Charitable projects and then gives funding to its group companies to deliver the projects. EIF runs its business under the direction of one of the Trustees Anil Bhanot who is its MD. The other trustees are non executive directors to maintain a 'checks and balances' approach to running the Charity.

Peepul Centre Charity is also a social enterprise but our recent changes to bring its focus on South Asian Arts and Wellbeing means for this part we shall be primarily dependent on public funding. Already for the Wellbeing project a partnership is developed with the NHS but for the Arts projects we are developing our relationship with ACE and other bodies. For this reason here we have maintained a separation from Governance (unpaid Trustees) with the Executive (paid Employees) but one which needs to be developed with any future public funding receivable for the projects.

Peepul Enterprises Ltd is a social enterprise trading company which runs all the other activities at the Centre. Anil Bhanot is the MD of the Board of Directors who are all remunerated to run the business. However, due to its deficits - of running a 100,000 sq ft centre with large overheads, and income constraints at a level of affordable rates for the community - all directors take only a very reasonable level of remuneration, which EIF funds.

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How the charity makes decisions and how decisions are delegated.

The Board has delegated the authority to run the Charity to the Managing Director (MD), Anil Bhanot, who is also a Trustee on the Board. EIF is a social enterprise Charity for which the MD ensures the business is run proficiently and ethically. The MD keeps his fellow non-executive directors/trustees abreast of important issues and changes regularly so that important decisions are taken in a spirit of team work.

The Chief Executive Officer and other senior management personnel to whom day to day management is delegated

The MD and other managers work in a team work environment with an extensive emphasis on team communications with all the staff.

Setting pay and remuneration of key management personnel

The EIF Board sets the remuneration of the MD who in turn sets the salaries of the managers and, with managers agreement, of the staff.

The present MD salary always has been and is well below the market rates and has always been typically far below the past CEOs' salaries, as per past payroll records, yet under the present MD the Charity's income generating activity is much higher, yielding a higher surplus for Charitable projects.

How the subsidiary undertaking(s) is/are constituted and managed.

EIF's subsidiary is the Peepul Centre, whose trading arm is the Peepul Enterprises Ltd. The group is managed by the MD and his managers team to ensure efficiency and joint working for our charitable aims.

The charity as a part of a wider network.

The EIF Charity group comprises the Peepul Centre in UK and internationally it has an independent relation with a non-group charitable Trust set up in India which serves to uplift the disadvantaged communities with the help of a very small level of funding from EIF.

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The charity's relationships with related parties.

The EIF employs Anil Bhanot, a Trustee, as Managing Director (MD), to run the social enterprise activities of EIF. No other Trustee is paid a remuneration at EIF. Mr Bhanot is also the MD of Peepul Enterprises Ltd and Surinder Syan was its legal director until the end of 31 December 2022. However, at the Peepul Centre Charity the MD running the social enterprise activity of PC takes a salary of £Nil and the Board is trying to create a split structure of Governance v Executive for the public funding arm of the PC Charity. The difference being one of running a social enterprise charity and the other a charity for which public funding is required so as to make it stand on its own feet.

Mr Anil Bhanot owns Online Accountancy Services Ltd which provides book-keeping and accountancy services to the Charities group. However, Mani Thapa FCCA a director of Online Accountancy Services Ltd and other staff are responsible for the work they do on book-keeping, payroll, management and statutory accounts and returns.

The Charity employs a Financial Controller who is responsible for the Bank transactions and reconciliations. The Financial Controller spends 50% of his time at Head Office with the Online Accountancy Staff and the other 50% on financial management at the Centre in Leicester.

The EIF and Peepul Centre Head Office is at the Online Accountancy premises owned by Anil Bhanot, for which no rent is charged to the EIF group. The Trustees meet quarterly and the management teams meet weekly at the Head Office, as well as at the operating offices of the Charities in the Group. Mr Bhanot manages the group from the Head Office with constant electronic communication and CCTV facilities, but also with weekly business and staff meetings at the operating premises.

Bankers	Metro Bank PLC 1 The Mall London W5 2PL
Accountants	Online Accountancy Services Ltd

Financial review

The charity's financial position at the end of the year ended 31 December 2022

The financial position of the charity at 31 December 2022 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows:-

	2022	2021
	£	£
Net income	99,499	(102,256)
Unrestricted Revenue Funds available for the general purposes of the charity	9,435,398	9,298,775
Unrestricted revaluation reserve	7,944,959	7,944,959
Total Unrestricted Funds	17,380,357	17,243,734
Restricted Revenue Funds	26,249	63,376
Total Funds	17,406,606	17,307,110

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Financial review of the position at the reporting date, 31 December 2022 .

The Consolidated Statements of Financial Activities shows net income for the year 2022 of £99,796 (2021 - net expenditure of £102,255).

Total group income for the year amounted to £2,473,517 (2021 - £2,275,911). Total group expenditure for the year amounted to £2,373,721 (2021 - £2,378,166).

Income included commercial rents of £1,199,738 (2021 - £710,604), grant income for the delivery of charitable projects, income from delivering charitable activities and trading income through the subsidiary Peepul Enterprises Ltd of £1,093,604 (2021 - £1,188,394), which includes also the NHS hire rentals of the Centre as a Vaccination Hub.

The Group's property in London was independently valued at £15m on an existing use basis in 2019, which is reflected in the accounts. The Leicester property is subject to covenants by the Government agencies for its use as an asset for community activities only, to which the Trustees are fully committed to be carrying on doing.

Policies on reserves.

Total consolidated reserves of the EIF Peepul Group were £17,406,903 at 31 December 2022, (£17,307,110 - 2021), of which restricted reserves were £26,249 at 31 December 2022, (£63,376 - 2021).

The Unrestricted funds include £7,944,959 held in a fair value reserve which arose on the valuation of the investment properties.

The Reserves policy of EIF is to maintain £150,000 free cash reserves but is kept under constant review due to the cash flow constraints of Peepul Centre.

Going Concern

The Board of Trustees has assessed the going concern of the group in detail and is confident that the group will have adequate resources to continue in operational existence for the foreseeable future.

Availability and adequacy of assets of each of the funds

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

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Significant events which have affected the financial performance and the financial position.

Whilst the EIF has seen its income levels returning post-Covid the Peepul Centre keeps working on recovering the pre-Covid social enterprise activities.

Investment policy and investment objectives.

The Charity continues to invest in social enterprise operations of Peepul Enterprises for community's upliftment, while efficiently managing the social enterprise activities of the EIF to produce a return for the Charity for other charitable works.

The major risks to which the Charity is exposed and reviews and systems to mitigate them.

The EIF maintains itself as a strong sustainable Charity but the Peepul Centre subsidiary needs to continue re-developing to recover its pre-Covid activity levels and to build a strong relationship with ACE for its arts projects, albeit its Health and Wellbeing projects are developing in leaps and bounds.

Factors likely to affect future financial performance .

The EIF Charity building refurbishment is being carried out to ensure a good working environment for the stakeholders and customers and the Peepul Centre is building its relationship with ACE for arts projects funding.

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Other information about the charity and its activities

CHANGE OF AUDITORS

Due to the health and wellbeing issues of our penultimate auditor we appointed a firm in Leicester to audit the group but we had a very bad experience with the working style of the firm. Their key audit staff worked only half days and then by email only. Whilst we appointed the firm with a hand shake with the partner we introduced to, the registered audit partner to sign the audit report and his audit staff were different. and Indeed we never met the audit partner, not even at the point of signing the accounts. Their key audit staff member, working half day, was effectively the sole person making audit decisions, whilst the partner whom we had shaken hands with had no say in the audit work, evidently. This key audit staff member made large adjustments which were eventually reversed but only after we had to fight our corner. Further, the adjustments on opening entries we were not specifically informed of nor they were discussed, as there were never any meetings, just email correspondence, as if in the Covid period.

Our staff had to continually keep answering enquiries repeatedly and it was as if their key audit staff member wanted to have the Charity closed, a point raised by the Chairman with them by email, and our management team definitely had no time left to work on the recovery of the business lost in the Covid period, due to their constant and repeated enquiries from their key audit staff member, invariably to provide duplicate information time and again. In the only one meeting the Chairman had with this key audit staff member the Chairman, he threatened to qualify the Audit reports, which he did so in March 2023 anyway, when the Chairman pressed for his materiality level, he reluctantly disclosed was £200. The Chairman having been a registered auditor himself in the past, before he took the role of running these charities, pointed out that at the minimum it should be £1,000.

We informed the firm of not observing, at the minimum, a good practice work-ethic recommended by the professional accountancy bodies and so after the last year's audited accounts were filed, which we believe were deliberately delayed by their key audit staff member in sole charge of the audit - as we never met the audit partner, not even spoke to him in a phone call - the Board of Trustees, all emotionally distressed - one EIF Trustee resigned citing high blood pressure - moved quickly to appoint new auditors, as listed below, who not only now conduct the audit largely working at the Head Office and for systems testing at the operating premises and the audit partner is in constant touch with us in meetings.

Employment of disabled persons

The Charity has a policy of equal opportunities for all and in particularly differently-abled persons..

Details of The Auditor

Naren Desai FCA MBA - Senior Statutory Auditor

Member of The Institute of Chartered Accountants in E&W

144-146 Kings Cross Road

London

WC1X 9DU

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Statement as to disclosure of information to auditors

The trustees state that so far as each of the trustees at the time this report was approved are aware:-

- a) There is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the auditors are unaware, and
- b) The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and establish that the auditors are aware of that information.

Statement of the Directors Trustees' Responsibilities

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Companies Act 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. Notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, the Trustees determined to interpret this responsibility as requiring them to follow current best practice and prepare the accounts according to the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), .

In particular, the Companies Act 2006 and charity law require the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Board is required to :-

- to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

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

The Trustees are also responsible for the contents of the Trustees' report, and the statutory responsibility of the auditor in relation to the Trustees' report is limited to examining the report and ensuring that, the report is consistent with the figures disclosed in the financial statements.

Method of preparation of accounts - Small company provisions

The financial statements are set out on pages 12 to 20.

The financial statements have been prepared implementing the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016)

These consolidated financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006. applicable to companies subject to the small companies regime.

This report was approved by the board of trustees on 30 October 2023.



Anil Bhanot OBE
Director and Trustee

*The Ethnic Inclusion Foundation
Independent auditors' report
to the members of The Ethnic Inclusion Foundation*

We have audited the financial statements of The Ethnic Inclusion Foundation for the year ended 31 December 2022 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the 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 auditors

We have audited the financial statements of The Ethnic Inclusion Foundation for the year ended 31 December 2022 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors 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 Ethical Standards for Auditors.

Scope of the audit of the accounts

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate

Opinion on the accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs at 31 December 2022 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

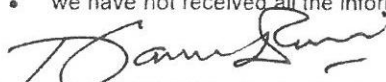
Opinion on other matters prescribed by the Companies Act 2006

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

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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



Naren Desai FCA MBA - Senior Statutory Auditor
(Senior Statutory Auditor)
for and on behalf of
Andrew Murray & Co
Accountants and Statutory Auditors
30 October 2023

144-146 Kings Cross Road
London
WC1X 9DU

The Ethnic Inclusion Foundation - Consolidated Statement of Financial Activities for the year ended 31 December 2022

Consolidated Statement of Financial Activities (including the Income and Expenditure Account for the year ended 31 December 2022, as required by the Companies Act 2006)

	SORP Ref	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2022 £	2022 £	2022 £	2021 £
Income & Endowments from:					
Donations & Legacies	A1	29,251	40,302	69,553	138,822
Charitable activities	A2	1,093,604	-	1,093,604	1,188,394
Other trading activities	A3	110,622	-	110,622	22,058
Investments	A4	1,199,738	-	1,199,738	710,604
Other	A5	-	-	-	216,033
Total income	A	2,433,215	40,302	2,473,517	2,275,911
Expenditure on:					
Raising funds	B1	666,937	-	666,937	657,661
Charitable activities	B2	1,629,652	77,429	1,707,081	1,720,506
Other	B3	-	-	-	-
Total expenditure	B	2,296,589	77,429	2,374,018	2,378,167
Net income for the year		136,626	(37,127)	99,499	(102,256)
Net income after transfers	A-B-C	136,626	(37,127)	99,499	(102,256)
Net movement in funds		136,626	(37,127)	99,499	(102,256)
Reconciliation of funds:-					
	E				
Total funds brought forward		17,243,731	63,376	17,307,107	17,409,366
Total funds carried forward		17,380,357	26,249	17,406,606	17,307,110

The 'SORP Ref' indicated above is the classification of income set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the Balance Sheet.

A separate Statement of Total Recognised Gains and Losses is not required as this statement includes all recognised gains and losses.

All the prior year transactions were unrestricted items, and no further analysis is required

All activities derive from continuing operations

The Ethnic Inclusion Foundation - Consolidated Statement of Financial Activities for the year ended 31 December 2022

	SORP Ref	Prior Year Unrestricted Funds 2021 £	Prior Year Restricted Funds 2021 £	Prior Year Total Funds 2021 £
Income & Endowments from:				
Donations & Legacies	A1	138,822	-	138,822
Charitable activities	A2	1,188,394	-	1,188,394
Other trading activities	A3	22,058	-	22,058
Investments	A4	710,604	-	710,604
Other	A5	216,033	-	216,033
Total income	A	2,275,911	-	2,275,911
Expenditure on:				
Raising funds	B1	657,661	-	657,661
Charitable activities	B2	1,720,506	-	1,720,506
Other	B3	-	-	-
Tax on surplus on ordinary activities	B3	-	-	-
Other taxation	B3	-	-	-
Total expenditure	B	2,378,167	-	2,378,167
Net gains on investments	B4	-	-	-
Net income for the year		(102,256)	-	(102,256)
Transfers between funds	C	-	-	-
Net income after transfers		(102,256)	-	(102,256)
Net movement in funds		(102,256)	-	(102,256)
Reconciliation of funds:-				
Total funds brought forward	E	17,550,504	63,376	17,409,366
Total funds carried forward		17,448,248	63,376	17,307,110

All activities derive from continuing operations

A separate Statement of Total Recognised Gains and Losses is not required as this statement includes all recognised gains and losses.'

The Ethnic Inclusion Foundation - Consolidated Statement of Financial Activities for the year ended 31 December 2022

The Ethnic Inclusion Foundation - Group Resources applied in the year ended 31 December 2022 towards fixed assets for Charity use:-

	2022 £	2021 £
Funds generated in the year as detailed in the SOFA	99,499	(102,256)
Resources applied on functional fixed assets	(31,720)	(63,618)
Other applications of funds	-	-
Net resources available to fund charitable activities	<u>67,779</u>	<u>(165,874)</u>

The Ethnic Inclusion Foundation - Consolidated Statement of Financial Activities for the year ended 31 December 2022

Consolidated movements in revenue and capital funds for the year ended 31 December 2022

Revenue accumulated funds

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Last year Total Funds 2021 £
Accumulated funds brought forward	9,298,772	63,376	9,362,148	9,668,922
Recognised gains and losses before transfers	136,626	(37,127)	99,499	(102,256)
	9,435,398	26,249	9,461,647	9,566,666
(From)/To unrestricted revenue funds	-	-	-	(204,515)
Closing revenue funds	9,435,398	26,249	9,461,647	9,362,151

Consolidated Revaluation Reserve Fund

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Last year Total Funds 2021 £
At 1 January	7,944,959	-	7,944,959	7,944,959
At 31 December	7,944,959	-	7,944,959	7,944,959

Summary of consolidated funds

	Unrestricted and Designated funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Last Year Total Funds 2021 £
Revenue accumulated funds	9,435,398	26,249	9,461,647	9,362,151
Revaluation reserve fund	7,944,959	-	7,944,959	7,944,959
Total funds	17,380,357	26,249	17,406,606	17,307,110

The Ethnic Inclusion Foundation - Consolidated Statement of Financial Activities for the year ended 31 December 2022

**The Ethnic Inclusion Foundation
Consolidated Income and Expenditure Account for the year ended 31 December 2022 as required by the Companies Act 2006**

	2022 £	2021 £
Income		
Income from operations	1,273,778	1,349,274
Investment income and interest		
Income from investments, other than interest receivable	1,197,616	710,076
Interest receivable	2,122	528
Other operating income	-	216,033
Gross income in the year before exceptional items	2,473,516	2,275,911
Gross income in the year including exceptional items	2,473,516	2,275,911
Expenditure		
Charitable expenditure, excluding depreciation and amortisation	1,506,489	1,532,112
Depreciation and amortisation	107,123	104,896
Fundraising costs	666,937	657,661
Governance costs	92,426	83,042
Other expenditure	-	(117,899)
Interest payable	1,042	456
Realised losses on disposals of social investments which are programme related	-	-
Total expenditure in the year	2,374,017	2,260,268
Net income before tax in the financial year	99,499	15,643
Tax on surplus on ordinary activities	-	-
Net income after tax in the financial year	99,499	15,643
Retained surplus for the financial year	99,499	15,643

All activities derive from continuing operations

In accordance with the provisions of the Companies Act 2006, the headings and subheadings used in the Income and Expenditure account have been adapted to reflect the special nature of the charity's activities.

The Ethnic Inclusion Foundation - Balance Sheet as at 31 December 2022

	SORP		2022	2021
	Note	Ref	£	£
Fixed assets	A			
Tangible assets	8	A2	3,336,729	3,412,131
Investments held as fixed assets	10	A4	16,100,000	16,100,000
Investments	17	A4	-	-
Total fixed assets			<u>19,436,729</u>	<u>19,512,131</u>
Current assets	B			
Stocks		B1	6,720	6,580
Debtors	12	B2	94,279	75,055
Cash at bank and in hand		B4	656,592	668,693
Total current assets			<u>757,591</u>	<u>750,328</u>
Creditors: amounts falling due within one year	13	C1	<u>(586,977)</u>	<u>(762,930)</u>
Net current assets			170,614	(12,602)
			<u>19,607,343</u>	<u>19,499,529</u>
Net assets				
Creditors: amounts falling due after more than one year	14	C2	(2,200,737)	(2,192,419)
The total net assets of the charity			<u>17,406,606</u>	<u>17,307,110</u>
The total net assets of the charity are funded by the funds of the charity, as follows:-				
Restricted funds				
Restricted Revenue Funds	18	D2	26,249	63,376
			26,249	63,376
Unrestricted Funds				
Unrestricted Revenue Funds	18	D3	9,435,398	9,298,775
Unrestricted Revaluation Reserve	18	D4	<u>7,944,959</u>	<u>7,944,959</u>
			17,380,357	17,243,734
Designated Funds				
Total charity funds			<u>17,406,606</u>	<u>17,307,110</u>

The 'SORP Ref' indicated above is the classification of Balance Sheet items as set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the SOFA..

The Ethnic Inclusion Foundation - Balance Sheet as at 31 December 2022

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The charitable group is subject to audit under charity legislation, and the report of the Charities Act auditor is on page 11.

The consolidated financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006, applicable to companies subject to the small companies regime.

A handwritten signature in black ink, appearing to read 'AB' followed by a stylized, elongated flourish.

Anil Bhanot OBE

Trustee

Approved by the board of trustees on 30 October 2023

The Ethnic Inclusion Foundation

Consolidated Cash Flow Statement for the year ended 31 December 2022

		2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities as shown below	A	(1,180,115)	(707,964)
Cash flows from investing activities			
Interest received		2,122	528
Other investment income, including rents from investments		1,197,616	710,076
Purchase of property, plant and equipment		(31,720)	(63,618)
Net cash provided by investing activities	B	1,168,018	646,986
Cash flows from financing activities			
Cash inflows from new borrowings		(88,437)	-
Net cash provided by financing activities	C	(88,437)	-
Overall cash provided by all activities	A+B+C	(100,534)	(60,978)
Cash movements			
Change in cash and cash equivalents from activities in the year ended 31 December 2022		(12,101)	(60,978)
Cash and cash equivalents at 1 January 2022		658,693	-
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash at bank and in hand less overdrafts at 31 December		646,592	(60,978)

The Ethnic Inclusion Foundation

Consolidated Cash Flow Statement for the year ended 31 December 2022

The Ethnic Inclusion Foundation

Cash Flow Statement for the year ended 31 December 2022 - Continued

Reconciliation of net income to net cash flow from operating activities

Net income as shown in the Statement of Financial Activities	99,499	(102,256)
Adjustments for :-		
Depreciation charges	107,123	104,896
Write downs of investments	-	-
Net unrealised losses on investment assets	-	-
Dividends, interest and rents from investments	(1,199,738)	(710,604)
Decrease in stocks	(140)	-
Decrease in debtors	(19,224)	-
Increase in creditors, excluding loans	(167,635)	-
Net cash provided by operating activities	A (1,180,115)	(707,964)

Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand at for the year ended 31 December 2022	656,592	668,693
Notice deposits - (less than 3 months)	-	-
Overdrafts facility repayable on demand	(10,000)	(10,000)
Total cash and cash equivalents	646,592	658,693

The Ethnic Inclusion Foundation

Consolidated Cash Flow Statement for the year ended 31 December 2022

The Ethnic Inclusion Foundation

Cash Flow Statement for the year ended 31 December 2022 - Continued

Analysis of change in net debt

	<i>At start of year</i>	<i>Cash Flows and</i>	<i>At end of year</i>
Cash	668,693	(12,101)	656,592
Overdrafts repayable on demand	(10,000)	-	(10,000)
		(12,101)	(12,101)
Loans falling due within one year	(96,754)	96,754	-
Loans falling due after more than one year	(2,192,419)	-	(2,192,419)
Total	<u>(1,630,480)</u>	<u>84,653</u>	<u>(2,204,520)</u>

The Ethnic Inclusion Foundation

Notes to the Accounts for the year ended 31 December 2022

1 Accounting policies

Policies relating to the production of the accounts.

Basis of preparation and accounting convention

The accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016) and 'FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), published by the Charity Commission in England & Wales (CCEW) , effective January 2016, , and in accordance with all applicable law in the charity's jurisdiction of registration, except that the charity has prepared the financial statements in accordance with the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), in preference to the previous SORP, the SORP 2005, which has been withdrawn, notwithstanding the fact that the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008 refer explicitly to the SORP 2005. This has been done to accord with current best practice.

Going Concern

The Board of Trustees has assessed the going concern of the group in detail and is confident that the group will have adequate resources to continue in operational existence for the foreseeable future.

Nature of income

Gross income represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Categories of Income

Income is categorised as income from exchange transactions (contract income) and income from non-exchange transactions (gifts), investment income and other income.

Income from exchange transactions is received by the charity for goods or services supplied under contract or where entitlement is subject to fulfilling performance related conditions. The income the charity receives is approximately equal in value to the goods or services supplied by the charity to the purchaser.

Income from a non-exchange transaction is where the charity receives value from the donor without providing equal value in exchange, and includes donations of money, goods and services freely given without giving equal value in exchange.

The Ethnic Inclusion Foundation

Notes to the Accounts for the year ended 31 December 2022

Income recognition

Income, whether from exchange or non exchange transactions, is recognised in the statement of financial activities (SOFA) on a receivable basis, when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities and only when the charity has legal entitlement, the income is probable and can be measured reliably.

Dividends are accrued when the shareholder's right to receive payment is established.

Income subject to terms and conditions which must be met before the charity is entitled to the resources is not recognised until the conditions have been met.

All income is accounted for gross, before deducting any related fees or costs.

Accounting for deferred income and income received in advance

Where terms and conditions relating to income have not been met or uncertainty exists as to whether the charity can meet any terms or conditions otherwise within its control, income is not recognised but is deferred as a liability until it is probable that the terms or conditions imposed can be met.

Any grant that is subject to performance-related conditions received in advance of delivering the goods and services required by that condition, or is subject to unmet conditions wholly outside the control of the recipient charity, is accounted for as a liability and shown on the balance sheet as deferred income. Deferred income is released to income in the reporting period in which the performance-related or other conditions that limit recognition are met.

When income from a grant or donation has not been recognised due to the conditions applying to the gift not being wholly within the control of the recipient charity, it is disclosed as a contingent asset if receipt of the grant or donation is probable once those conditions are met.

Where time related conditions are imposed or implied by a funder, then the income is apportioned to the time periods concerned, and, where applicable, is accounted for as a liability and shown on the balance sheet as deferred income. When grants are received in advance of the expenditure on the activity funded by them, but there are no specific time related conditions, then the income is not deferred.

Any condition that allows for the recovery by the donor of any unexpended part of a grant does not prevent recognition of the income concerned, but a liability to any repayment is recognised when repayment becomes probable.

Income from legacies

Income from legacies is recognised when the charity has sufficient evidence that a gift has been left to them, that where required, probate has been granted, the executor is satisfied that the property in question will not be required to satisfy claims in the estate, that it is probable that the amount will be received by the charity, and the amount to be received can be estimated with sufficient accuracy, and that any conditions attached to the legacy are either within the control of the charity or have been met.

Where a payment is received from an estate or is notified as receivable by the executors after the reporting date and before the accounts are authorised for issue but it is clear that the payment had been agreed by the executors prior to the end of the reporting period, then the amount concerned is treated as an adjusting event and accrued as income in the accounting period if receipt is probable.

Where the charity has established entitlement to a legacy but there is uncertainty as to the amount of the payment, details of the legacy are disclosed as a contingent asset until the criteria for income recognition are met. Where a legacy is subject to the interest of a life tenant, the legacy is not recognised as income until the death of the life tenant.

If it is doubtful that full settlement of a legacy debtor will be received, then an adjustment is made to reduce the amount of the legacy debtor and legacy income rather than charging the adjustment as expenditure in the Statement of Financial Activities

The Ethnic Inclusion Foundation

Notes to the Accounts for the year ended 31 December 2022

Donated goods, facilities and services

Donated fixed assets are recognised at the current fair value. All such donations are recognised as donation income, and debited to fixed assets.

Donated goods that are not fixed assets are accounted for at a fair value, unless it is impractical to reliably measure the value of the donated items.

In the absence of any direct evidence of fair value of donated goods, then a value is derived from the cost of the item to the donor or, in the case of goods that are expected to be sold, the estimated resale value after deducting any anticipated costs of sales.

If it is impracticable to measure the fair value of goods donated for resale, or the costs of valuation outweigh the benefits, the donated goods are recognised as income when sold, with an equivalent amount being recognised as an expense.

The costs of goods donated for distribution to beneficiaries is deemed to be the fair value of those goods upon receipt. When the goods are distributed freely or for a nominal consideration, then the carrying amount is adjusted at the time of sale, to the value at the point of distribution and the adjustment is shown as a cost of donations made.

The carrying amount of any stock held for distribution is assessed for impairment at the reporting date. All donated goods are recognised as donation income, and debited to trading stock. When trading stock is subsequently sold, or appropriated to meet an expense, then the carrying value of the stock is recognised as an expense. In accordance with the SORP, goods donated for distribution to beneficiaries, or for consumption by the charity are included in *'legacies and donations'*. Goods donated for resale are included in *'Income from other trading activities'*.

The cost of any stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt. If the goods held are to be distributed freely or for a nominal consideration, then the carrying amount is subsequently adjusted to reflect the lower of deemed cost adjusted for any loss of service potential and replacement cost. Replacement cost is the economic cost incurred if the charity was to replace the service potential of the donated goods at its own expense in the most economic manner.

Membership subscriptions

The income and any associated Gift Aid or other tax refund from a membership subscription received by the charity in the nature of a gift, is accounted for on the same basis as a donation.

The income from a membership subscription received by the charity where the subscription purchases the right to services or benefits is recognised as income from charitable activities.

Policies relating to expenditure on goods and services provided to the charity.

Recognition of liabilities and expenditure

A liability, and the related expenditure, is recognised when a legal or constructive obligation exists as a result of a past event, and when it is more likely than not that a transfer of economic benefits will be required in settlement, and when the amount of the obligation can be measured or reliably estimated..

Liabilities arising from future funding commitments and constructive obligations, including performance related grants, where the timing or the amount of the future expenditure required to settle the obligation are uncertain, give rise to a provision in the accounts, which is reviewed at the accounting year end. The provision is increased to reflect any increases in liabilities, and is decreased by the utilisation of any provision within the period, and reversed if any provision is no longer required. These movements are charged or credited to the respective funds and activities to which the provision relates.

The Ethnic Inclusion Foundation

Notes to the Accounts for the year ended 31 December 2022

Allocating costs to activities

Direct costs that are specifically related to an activity are allocated to that activity. Shared direct costs and support costs are apportioned between activities.

The basis for apportionment, which is consistently applied, and proportionate to the circumstances, is :-

Staffing - on the basis of time spent in connection with any particular activity.

Staffing - on a per capita basis, based on the number of people employed within any particular activity.

Premises related costs - on the proportion of floor area occupied by a particular activity.

Non specific support costs - on the basis of the usage of resources, in terms of time taken, capacity used, request made or other measures

Estimation techniques used in apportioning costs - give details

Volunteers

In accordance with the SORP, and in recognition of the difficulties in placing a monetary value on the contribution from volunteers, the contribution of volunteers is not included within the income of the charity.

However, the trustees value the significant contribution made to the activities of the charity by unpaid volunteers and this is described more fully in Note 7.

Tangible fixed assets

Depreciation has been provided at the following rates in order to write off the assets to their anticipated residual value over their estimated useful lives.

Freehold premises	2 % on cost and includes land not being depreciation
Fixtures and fittings	20 and 25 % on reducing balance and 20% on cost
Computer equipment	33 % on cost

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Stocks and work in progress

Stock is valued at the lower of cost and net realisable value.

Debtors

Debtors are measured at their recoverable amounts at the balance sheet date.

2 Liability to taxation

The Trustees consider that the charity satisfies the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively on the specific charitable objects of the charity and for no other purpose. Value Added Tax is not recoverable by the charity, and is therefore included in the relevant costs in the Statement of Financial Activities.

The Ethnic Inclusion Foundation

Notes to the Accounts for the year ended 31 December 2022

3 Net surplus before tax in the financial year

	2022	2021
	£	£
The net surplus before tax in the financial year is stated after charging:-		
Depreciation of owned fixed assets	107,123	104,896
Trustees' remuneration	51,372	46,350
Pension costs	14,940	14,865
Auditors' remuneration	15,500	15,500

4 Interest payable

	2022	2021
	£	£
Bank interest payable	1,042	456

5 Staff costs and emoluments

<i>Salary costs</i>	2022	2021
	£	£
Gross Salaries excluding trustees and key management personnel	445,640	560,285
Employer's National Insurance for all staff	56,489	52,371
Employer's contribution to defined benefit pension schemes	9,082	9,669
Employer's operating costs of defined contribution pension schemes	5,858	5,196
Trustees' Remuneration as detailed in note 7	51,372	46,350
Other benefits paid to trustees, as detailed in note 7	1,321	1,202
Total salaries, wages and related costs	569,762	675,073

The average number of part time staff employed in the year was	43	46
--	----	----

The estimated equivalent number of full time staff deployed in different activities in the year was:-

Engaged on charitable activities	37	38
Engaged on management and administration	6	6

6 Remuneration and payments to Trustees as Executive Directors and persons connected with them

A Bhanot as the Managing Director (MD) of the company (EIF) and its subsidiary Peepul Enterprises Ltd (PEL) was remunerated £51,372 (2021-£46,350) from EIF and £46,069 (2021-£46,350) from PEL, with Pension Contributions in EIF

of £1,281 and PEL of £1,195. Mr Bhanot also runs as the MD of the EIF subsidiary Peepul Centre Charity's social

enterprise activities but being its Trustee takes a salary of £NIL.

No other Trustee received any remuneration from EIF.

S Syan received remuneration from an EIF subsidiary PEL as its legal director of £5,000 (2021 - £6,000). Mr Syan works

free for legal issues at EIF as a Trustee but worked in a remunerative capacity on legal work at the social enterprise

subsidiary company PEL until October 2022.

The Ethnic Inclusion Foundation

Notes to the Accounts for the year ended 31 December 2022

Dr S Bhanot received remuneration from an EIF subsidiary Peepul Centre as Head of Peepul Health of £7,432 (2021-£Nil).

Dr Bhanot a Trustee of EIF works free in EIF on Health matters and specifically in her work with our partner Careif but

as the Head of Peepul Health at Peepul Centre she runs the Health division there to deliver projects like the Mental Health

Crisis Café and high level Health Conferences at the Centre.

The Ethnic Inclusion Foundation

Notes to the Accounts for the year ended 31 December 2022

7 Remuneration and payments to Trustees and persons connected with them

	2022	2021
	£	£
Trustees' remuneration	51,372	45,350
Total remuneration	51,372	46,350

	2022	2021
	£	£
<i>Employer's National Insurance contributions on above remuneration</i>		
Trustees' remuneration	6,053	5,176
	6,196	5,176

	2022	2021
	£	£
<i>Pension payments relating to trustees or connected persons</i>		
Trustees' remuneration	1,321	1,202
	1,321	1,202

8 Tangible fixed assets

<i>Current Year</i>	Land and Buildings	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2022	3,956,876	613,864	13,232	4,583,972
Additions	-	31,720	-	31,720
At 31 December 2022	3,956,876	645,584	13,232	4,615,692
Depreciation				
At 1 January 2022	646,876	522,891	2,073	1,171,840
Charge for the year	79,419	23,294	4,410	107,123
At 31 December 2022	726,295	546,185	6,483	1,278,963
Net book value				
At 31 December 2022	3,230,581	99,399	6,749	3,336,729
At 31 December 2021	3,310,000	90,973	11,159	3,412,132

The Ethnic Inclusion Foundation

Notes to the Accounts for the year ended 31 December 2022

<i>Prior Year</i>	Land and Buildings	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
Cost				
01 January 2021	3,924,876	595,478	-	4,520,354
Additions	32,000	18,386	13,232	63,618
Transfers to fixed assets	-	-	-	-
Surplus on revaluation	-	-	-	-
Disposals	-	-	-	-
31 December 2021	3,956,876	613,864	13,232	4,583,972

9 Revaluation Reserve

Revaluation of the land and building was last done on 10 October 2019 by Mr Peter Costello a RICS Registered Valuer at £15 million. The trustees have agreed this to be a fair valuation at 31st December 2022 in accordance with the accounting policy adopted, further valuation will be carried out in 2024. No depreciation has been charged, as it's an investment property.

10 Investments held as fixed assets

	Investments in subsidiaries	Listed investments	Other Classes of Investment	Total
	£	£	£	£
Carrying values of investments				
At 1 January 2022	-	-	16,100,000	16,100,000
At 31 December 2022	-	-	16,100,000	16,100,000

Analysis between fair value and historical cost

Investments as above held at fair value	-	-	16,100,000	16,100,000
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Analysis of Other Classes of Investment

	Included at historical cost, less write down	Included at fair value	Total
	£	£	£
Summary of other classes of investments at 31 December 2022			
Cash or cash equivalents	-	16,100,000	16,100,000

11 Stocks & Work in Progress

	2022	2021
	£	£
Stocks before write downs	6,720	6,580
	<u>6,720</u>	<u>6,580</u>

The Ethnic Inclusion Foundation

Notes to the Accounts for the year ended 31 December 2022

Analysis of the carrying value of stocks and work in progress by activities

Activity	Work in Progress		Stocks	
	2022	2021	2022	2021
	£	£	£	£
Charitable activity 1	-	-	6,720	6,580
	-	-	6,720	6,580

12 Debtors

	2022	2021
	£	£
Trade debtors	69,899	37,546
Amounts owed by group undertakings and undertakings in which the charity has a participating interest	-	1
Prepayments and accrued income	22,185	20,169
Other debtors	2,195	17,339
	94,279	75,055

13 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	10,000	106,754
Trade creditors	77,976	136,125
Accruals	145,562	182,903
PAYE, NIC VAT and other taxes	71,527	68,800
Other creditors	281,912	268,348
	586,977	762,930

14 Creditors: amounts falling due after one year

	2022	2021
	£	£
Bank loans and overdrafts	2,200,737	2,192,419

15 Revaluation reserve

Current year	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2022	2022	2022	2021
	£	£	£	£
At 1 January 2022	7,944,959	-	7,944,959	7,944,959
At 31 December 2022	7,944,959	-	7,944,959	7,944,959
All the revaluations in the prior year was unrestricted.				
Prior year	Prior Year Unrestricted Funds	Prior Year Restricted Funds	Prior Year Total Funds	
	2021	2021	2021	
	£	£	£	
At start of previous year	7,944,959	-	7,944,959	
At end of previous year	7,944,959	-	7,944,959	

The Ethnic Inclusion Foundation

Notes to the Accounts for the year ended 31 December 2022

16 Income and Expenditure account summary

	2022 £	2021 £
At 1 January 2022	9,579,843	9,668,921
Transfers in for the year	-	(104,721)
At 1 January 2022	9,579,843	9,564,200
Surplus after tax for the year	99,499	15,643
At 31 December 2022	9,679,342	9,579,843

17 Related party transactions

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Trustee, Director and Chairman, A Bhanot is a director and shareholder of Online Accountancy Services Ltd which provides book-keeping and accountancy services to the charity and its subsidiaries. The book-keeping fee charged to the company was £18,000 and to a subsidiary Peepul Enterprises Ltd was £24,000 for the year (2021 - same amounts). Statutory Accounts preparation fees of £5,500 was charged to the company and £3,000 to Peepul Centre and £4,000 to Peepul Enterprises Ltd. Peepul Centre Charity Book-Keeping fees thus far has been charged £NIL.

The related party balances for the Ethnic Inclusion Foundation at 31.12.2022 receivable from Peepul Centre group was £87,752, (Peepul Centre Charity £35,500 credit balance and Peepul Enterprises Ltd £123,252 debit balance). These balances represent cash flow requirements within the group.

17 Particulars of how particular funds are represented by assets and liabilities

At 31 December 2022	Unrestricted funds £	Designated funds £	Restricted funds £	Total Funds £
Tangible Fixed Assets	3,336,729	-	-	3,336,729
Investments at valuation:-				
Fixed asset investments	16,100,000	-	-	16,100,000
Programme related investments	-	-	-	-
Current Assets	731,342	-	26,249	757,591
Current Liabilities	(586,977)	-	-	(586,977)
Long Term Liabilities	(2,200,737)	-	-	(2,200,737)
	17,380,357	-	26,249	17,406,606
At 1 January 2022	Unrestricted funds £	Designated funds £	Restricted funds £	Total Funds £
Tangible Fixed Assets	3,412,132	-	-	3,412,132
Investments at valuation:-				
Fixed asset investments	16,100,000	-	-	16,100,000
Programme related investments	-	-	-	-
Current Assets	686,952	-	63,376	750,328
Current Liabilities	(762,930)	-	-	(762,930)
Long Term Liabilities	(2,192,419)	-	-	(2,192,419)
	17,243,735	-	63,376	17,307,111

The Ethnic Inclusion Foundation

Notes to the Accounts for the year ended 31 December 2022

18 Change in total funds over the year as shown in Note 17 , analysed by individual funds

	Funds brought forward from 2021	Movement in funds in 2022	Transfers between funds in 2022	Funds carried forward to 2023
	£	See Note 19 £	See Note 0 £	£
Unrestricted and designated funds:-				
Unrestricted Revenue Funds	9,298,775	136,626	-	9,435,401
Unrestricted Revaluation Reserve	7,944,959	-	-	7,944,959
Total unrestricted and designated funds	17,243,734	136,626	-	17,380,360
Restricted funds:-				
Restricted Fixed Asset Funds	-	-	-	-
Restricted Revaluation Reserve	-	-	-	-
Restricted revenue Funds	63,376	(37,127)	-	26,249
Total restricted funds	63,376	(37,127)	-	26,249
Total charity funds	17,307,110	99,499	-	17,406,609

19 Analysis of movements in funds over the year as shown in Note 18

	Income	Expenditure	Other Gains & Losses	Movement in funds
	2022	2022	2022	2022
	£	£	£	£
Unrestricted and designated funds:-				
Unrestricted Revenue Funds	2,433,215	(2,296,589)	-	136,626
Restricted funds:-				
Restricted Fixed Asset Funds	-	-	-	-
Restricted Revaluation Reserve	-	-	-	-
Restricted revenue Funds	40,302	(77,429)	-	(37,127)
	2,473,517	(2,374,018)	-	99,499

The Ethnic Inclusion Foundation

Detailed analysis of income and expenditure for the year ended 31 December 2022 as required by the SORP 2015

This analysis is classssified by conventional nominal descriptions and not by activity.

20 Donations, Grants and Legacies

	Current year Unrestricted Funds 2022 £	Current year Restricted Funds 2022 £	Current year Total Funds 2022 £	Prior Year Total Funds 2021 £
Donations and gifts from individuals				
Donations and gifts	-	-	-	460
Total donations and gifts from individuals	-	-	-	460
	Current year Unrestricted Funds 2022 £	Current year Restricted Funds 2022 £	Current year Total Funds 2022 £	Prior Year Total Funds 2021 £
Revenue grants from government and public bodies				
Revenue grants from government and public bodies	23,251	40,302	63,553	97,326
Total public sector revenue grants	23,251	40,302	63,553	97,326
	Current year Unrestricted Funds 2022 £	Current year Restricted Funds 2022 £	Current year Total Funds 2022 £	Prior Year Total Funds 2021 £
Covid - 19 grants				
Covid - 19 grants	6,000	-	6,000	41,036
Total Covid - 19 grants	6,000	-	6,000	41,036
Total Donations, Grants and Legacies				
Total Donations, Grants and Legacies A1	29,251	40,302	69,553	138,822

The Ethnic Inclusion Foundation

Detailed analysis of income and expenditure for the year ended 31 December 2022 as required by the SORP 2015

21 Income from charitable activities - Trading Activities

<i>Current year</i>	Current year Unrestricted Funds 2022 £	Current year Restricted Funds 2022 £	Current year Total Funds 2022 £	Prior Year Total funds 2021 £
Primary purpose and ancillary trading Sale of goods and services in accordance with the charity's objects	1,093,604	-	1,093,604	1,188,394
Total Primary purpose and ancillary trading	1,093,604	-	1,093,604	1,188,394

22 Total Income from charitable activities

<i>Current year</i>	Current year Unrestricted Funds 2022 £	Current year Restricted Funds 2022 £	Current year Total Funds 2022 £	Prior Year Total Funds 2021 £
Total income from charitable trading	1,093,604	-	1,093,604	1,188,394
Total from charitable activities A2	1,093,604	-	1,093,604	1,188,394

23 Income from other, non charitable, trading activities

	Current year Unrestricted Funds 2022 £	Current year Restricted Funds 2022 £	Current year Total Funds 2022 £	Prior Year Total Funds 2021 £
Restaurant and bar income	110,622	-	110,622	12,272
Misc. trading	-	-	-	9,786
Total from other activities A3	110,622	-	110,622	22,058

The Ethnic Inclusion Foundation

Detailed analysis of income and expenditure for the year ended 31 December 2022 as required by the SORP 2015

24 Investment income

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2022	2022	2022	2021
		£	£	£	£
Property Rental Income		1,197,616	-	1,197,616	710,076
Bank Interest Receivable		2,122	-	2,122	528
Total investment income	A4	1,199,738	-	1,199,738	710,604

25 Other income and gains

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
<i>Current year</i>		2022	2022	2022	2021
		£	£	£	£
Management charges		-	-	-	108,487
Government grants		-	-	-	107,546
Total other income	A5	-	-	-	216,033

26 Expenditure on charitable activities - Direct spending

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
<i>Current Year</i>		2022	2022	2022	2021
		£	£	£	£
Gross wages and salaries - charitable activities		259,827	-	259,827	389,770
Employers' NI - Charitable activities		28,763	-	28,763	32,368
Defined benefit pension costs - charitable activities		9,082	-	9,082	9,669
Travel and Subsistence - Charitable Activities		6,881	-	6,881	11,047
Purchases		452,852	-	452,852	41,363
Meals and Wellbeing Programme		-	-	-	86,574
Health and Wellbeing sessions		-	15,482	15,482	-
Theatre cost		9,524	39,966	49,489	32,069
Wages		153,190	21,981	175,171	246,376
Directors Salary		82,267	-	82,267	108,150
Total direct spending	B2a	1,002,386	77,429	1,079,814	957,386

27 Expenditure on charitable activities- Grant funding of activities

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
<i>Current Year</i>		2022	2022	2022	2021
		£	£	£	£
Grants to institutions		19,121	-	19,121	21,000
Total grantmaking costs	B2c	19,121	-	19,121	21,000

The Ethnic Inclusion Foundation

Detailed analysis of income and expenditure for the year ended 31 December 2022 as required by the SORP 2015

28 Support costs for charitable activities

<i>Current Year</i>	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2022	2022	2022	2021
	£	£	£	£
<i>Employee costs not included in direct costs</i>				
Other salaries	-	-	-	-
Employer's NI - Other salaries	-	-	-	-
Defined benefit pension costs - Other salaries	-	-	-	-
<i>Premises Expenses</i>				
Salaries	-	-	-	31,602
Social security	-	-	-	1,360
Rates and water charges	18,796	-	18,796	20,651
Staff training and welfare	6,947	-	6,947	2,721
Light heat and power	60,679	-	60,679	136,689
Cleaning and waste management	32,717	-	32,717	26,500
Premises repairs, renewals and maintenance	88,247	-	88,247	49,039
Property insurance	30,022	-	30,022	24,503
Pensions	-	-	-	511
<i>Administrative overheads</i>				
Telephone, fax and internet	20,601	-	20,601	21,400
Postage	-	-	-	-
Stationery and printing	9,568	-	9,568	12,832
Social security	-	-	-	1,428
Subscriptions to periodicals	4,446	-	4,446	2,445
Salaries	48,651	-	48,651	31,651
Hire of equipment	17,337	-	17,337	13,504
Software licences and expenses	4,482	-	4,482	1,987
Rate and Water rate	-	-	-	41,036
Advertising and marketing	5,129	-	5,129	1,525
Sundry expenses	1,003	-	1,003	-
Pensions	919	-	919	511
Equipment, repairs, expenses and maintenance	-	-	-	-
Computer Costs	3,205	-	3,205	12,161
Bad debts	-	-	-	11,863

The Ethnic Inclusion Foundation

Detailed analysis of income and expenditure for the year ended 31 December 2022 as required by the SORP 2015

Professional fees paid to advisors other than the auditor or examiner

Accountancy fees other than examination or audit fees	22,500	-	22,500	14,850
Bookkeeping	42,000	-	42,000	42,000
Legal fees	(21,624)	-	(21,624)	43,741
Consultancy fees	800	-	800	-
Other legal and professional	350	-	350	-

Financial costs

Bank charges	10,779	-	10,779	7,216
Depreciation & Amortisation in total for	107,123	-	107,123	104,896
Bank interest payable	1,042	-	1,042	456

Support costs before reallocation	515,719	-	515,719	659,078
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Total support costs - Current Year	515,719	-	515,719	659,078
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The basis of allocation of costs between activities is described under accounting policies

All the expenditure in the prior year was unrestricted.

Administrative overheads

The basis of allocation of costs between activities is described under accounting policies

29 Other Expenditure - Governance costs

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2022	2022	2022	2021
	£	£	£	£
Auditor's fees	15,500	-	15,500	15,500
Trustees' remuneration	51,372	-	51,372	46,350
NIC on Trustees' remuneration	6,196	-	6,196	5,176
Trustees Defined benefit pension costs	1,321	-	1,321	1,202
Wages	16,445	-	16,445	14,222
Travel Expenses	1,592	-	1,592	592
Total Governance costs	92,426	-	92,426	83,042

All the expenditure in the prior year was unrestricted.

30 Total Charitable expenditure

		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2022	2022	2022	2021
		£	£	£	£
Total direct spending	B2a	1,002,386	77,429	1,079,814	957,386
Total grantmaking costs	B2c	19,121	-	19,121	21,000
Total support costs	B2d	515,719	-	515,719	659,078
Total Governance costs	B2e	92,426	-	92,426	83,042
Total charitable expenditure	B2	1,629,652	77,429	1,707,080	1,720,506

The Ethnic Inclusion Foundation

Detailed analysis of income and expenditure for the year ended 31 December 2022 as required by the SORP 2015

All the expenditure in the prior year was unrestricted.

<i>Prior Year</i>		Prior Year Unrestricted Funds	Prior Year Restricted Funds	Prior Year Total Funds
		2021	2021	2021
		£	£	£
Total direct spending	B2a	957,386	-	957,386
Total grantmaking costs	B2c	21,000	-	21,000
Total support costs	B2d	659,078	-	659,078
Total Governance costs	B2e	83,042	-	83,042
Total charitable expenditure	B2	1,720,506	-	1,720,506

31 Expenditure on raising funds and costs of investment management

<i>Current Year</i>		Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2022	2022	2022	2021
		£	£	£	£
Just giving charges		180	-	180	123
Commissions payable		42,386	-	42,386	31,272
Bad debts		-	-	-	69,868
Consultancy		35,722	-	35,722	28,126
Wages		4,016	-	4,016	3,252
Property repairs and maintenance for non charitable property		76,917	-	76,917	39,894
Management charges		121,532	-	121,532	192,631
Interest payable		89,046	-	89,046	71,914
Gross wages and salaries - fundraising activities		185,813	-	185,813	170,515
Employers' NI - fundraising activities		21,530	-	21,530	14,827
Defined contribution pension costs - fundraising activities		2,929	-	2,929	2,598
Telephone and Broadband		9,550	-	9,550	7,118
Insurance		42,783	-	42,783	25,523
Rates		34,533	-	34,533	-
Total fundraising costs	B1	666,937	-	666,937	657,661

The Ethnic Inclusion Foundation

Activity analysis of Income and expenditure for the for the year ended 31 December 2022

This analysis is classsified by activity and not by conventional nominal descriptions.

32 Analysis of income by activity

	SOFA ref	2022 £	2021 -
Activity			
Income from charitable activities			
Charitable activity 1		1,093,604	1,188,394
Income from other, non charitable, trading activities			
Governance costs		110,622	22,058
Summary of Total Income, including the items above			
Charitable activities	A2	1,093,604	1,188,394
Other activities	A3	110,622	22,058
Donations & Legacies	A1	69,553	138,822
Investment income	A4	1,199,737	710,605
Other income	A5	-	216,033
Total income as shown in the SOFA	A	2,473,516	2,275,912
Categories of income			
Income from exchange transactions		2,473,516	2,275,912

33 Analysis of charitable expenditure by activity

Activity	Direct costs	Support costs	Grant funding of activities	Total	Total
	2022	2022	2022	2022	2021
	£	£	£	£	£
Charitable activity 1					
Direct costs	1,079,815	-	-	1,079,815	-
Premises expenses	-	237,408	-	237,408	-
Administrative overheads	-	115,342	-	115,342	-
Professional fees	-	44,026	-	44,026	-
Financial costs	-	118,944	-	118,944	-
Grantmaking costs	-	-	19,121	19,121	-
Total Charitable activity 1	1,079,815	515,720	19,121	1,614,656	-

The Ethnic Inclusion Foundation

Activity analysis of Income and expenditure for the for the year ended 31 December 2022

Summary of charitable costs by activity

	Direct costs	Support costs	Grant funding of activities	Total	Total
	2022 £	2022 £	2022 £	2022 £	2021 £
Total Charitable activity 1	1,079,815	515,720	19,121	1,614,656	2,295,125
Total Governance costs as detailed in Note 29	-	92,426	-	92,426	83,042
Total charitable expenditure	1,079,815	608,146	19,121	1,707,082	2,378,167

The basis of allocation of costs between activities is described under accounting policies

The breakdown of this expenditure by type of spending (ie nominal classification) is detailed in note 30

Analysis of support and governance costs by charitable activities

Activity	Governance	Finance	Human Resources	Other Overheads	Total
Charitable activity 1	92,283	118,944	-	396,776	608,003
Grand Total	92,426	118,944	-	396,776	608,146

Summary of grant making by activity

	Grants to institutions	Grants to individuals	Support costs	Total	Total
	2022 £	2022 £	2022 £	2022 £	2021 £
Primary purpose and ancillary trading1	-	-	-	-	-
Primary purpose and ancillary trading2	-	-	-	-	-
Charitable activity 1	-	-	19,121	19,121	21,000
	-	-	19,121	19,121	21,000

Fuller details of grants made and related costs, including support costs, are shown in note 27.

The Ethnic Inclusion Foundation

Activity analysis of Income and expenditure for the for the year ended 31 December 2022

34 Analysis of non charitable expenditure by activity

Activity

<i>Fundraising activities</i>	Fundraising activities 2022 £	Fundraising activities 2021 £
Direct fundraising costs	666,937	657,661
Indirect fundraising costs:-	-	-
 <i>Governance costs</i>	 Governance costs 2022 0	 Governance costs 2021 £
Other Expenditure - Governance costs as detailed in Note 29	92,426	83,042
 Total non charitable expenditure	 2022 0	 2021 £
Total costs of Fundraising activities	666,937	657,661
Total non charitable expenditure	666,937	657,661

The breakdown of this expenditure by type of spending (ie by nominal classification and by fund) is detailed in note 33

35 Carrying value of work in progress analysed between activities

	2022 0	2021 £
Charitable activity 1	6,720	6,580
	6,720	6,580