

Charity number: 1109940
Company number: 5243014

The Devon Racial Equality Council
(a company limited by guarantee)

Trustees' report and financial statements

for the period from 27 September 2004 to 31 March 2006

The Devon Racial Equality Council

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The Devon Racial Equality Council

Legal and administrative information

Status

The Devon Racial Equality Council was incorporated as a charitable company limited by guarantee, with no share capital, on 27 September 2004 (Company Number: 5243014, Charity Number: 1109940). The charity had previously operated as Devon and Exeter Racial Equality Council, as an unincorporated association (Charity Number: 1081585). On 1 July 2005, all assets and liabilities of the unincorporated association were transferred to the newly created company.

In the event of the company being wound up, every member, while he or she is a member or within one year after ceasing to be a member, undertakes to contribute such an amount as may be required (not exceeding £1) towards the costs of dissolution and the liabilities incurred by the Charity.

Trustees	Terry Falcao (Chair) Hasnein Kanani (Treasurer) (co opted) Tanvir Ahmed (resigned 26.09.05) Ricky Croal Pamela Freeman Mark Green Shabir Ahmed Fran Jenkin Jill Owen Salma Choudhary Bruno Daniel Chris Taylor (co opted) (resigned 26.09.05) Dr Simon Harrison (co opted) Karen Jamieson (co opted)
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Company number	5243014
Charity number	1109940

Registered office and Business address	15 York Road Exeter Devon EX4 6BA
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Auditors	Thompson Jenner 1 Colleton Crescent Exeter Devon EX2 4DG
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Bankers	Lloyds Bank plc 234 High Street Exeter Devon EX4 3NL
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The Devon Racial Equality Council

Trustees' report for the period ended 31 March 2006

Governing Document

The Devon Racial Equality Council (Devon REC) is constituted as a registered charity and is governed by Memorandum and Articles of Association. Devon REC is also a company limited by guarantee and is registered with Companies House.

The objects of the charity set out in the Memorandum and Articles are;

1. To work towards the elimination of racial discrimination and
2. To promote equality of opportunity and good relations between people of different racial groups.

The achievements of Devon REC in meeting these objectives are set out in the Annual Report.

Recruitment and Appointment of Trustees

All trustees are formally appointed at the Annual General Meeting. The membership take a vote on persons nominated and they are then secured in office at the first ordinary meeting following the AGM.

New trustees can be recruited at other times during the year, they join as co-optees following nomination by the members.

All trustees must first become members in order to be eligible for nomination and an application form helps to assess the potential portfolio of members.

Induction and Training of Trustees

All trustees receive formal written information from 3 key sources.

- Information from the Charities Commission
- Information from Companies House
- Policies and procedures guide from Devon REC

New trustees are invited to an induction meeting with the Operational Director and would be invited to any in-house training being undertaken.

The organisation aims to have two trustees training days each year.

Charitable objects

The objectives of Devon REC are to eliminate racial discrimination and promote equality of opportunity. We achieve this by delivering services across the county in the following way.

- Acting as a 'critical friend' to public sector bodies to promote legal compliance
- Providing complainant aid to people who have experienced racial discrimination or harassment
- Providing infrastructure support and development to the community
- Providing training and support to raise public awareness

During the year Devon REC's main objectives were.

- To ensure the continuity of project work
- To enhance and develop community participation
- To strengthen community involvement
- To raise operation standards and good practice
- To develop the team and executive board
- To widen funding and investment and obtain security

Devon REC works in line with its five year business plan and reviews its strategic progress on an annual basis.

The Devon Racial Equality Council

Trustees' report for the period ended 31 March 2006

Organisational structure

The organisation is managed overall by an Executive Committee made up of trustees and directors of the charity.

On a day to day basis, the organisation is managed by the Operational Director and through her, a specialist staff team.

All financial decisions are taken by the Executive Committee. The staff manage day to day funds through petty cash up to the value of £500 and have delegated authority to manage the payroll and income and expenditure management.

The Executive Committee meets monthly and receives reports from all staff in order that they can make informed decisions. There are also two sub-groups, one dedicated to finance and one dealing with policy and personnel. They meet as necessary.

Related parties

Some members of the Executive Committee were reimbursed expenses.

Review of activities and achievements

Some of the key achievements this year have been.

- The development of the independent interpreters service
- The successful development and marketing of the art exhibition
- Successful conferences focused on the needs of Gypsies and Travellers
- Regular schools based training
- A wider range of training available to partner agencies
- 2 away days for staff and executive board
- A number of forums for members to offer feedback
- A research project aimed at exploring cross cutting issues

Overview

Like most charities we suffer from having short term funding and sector competition for limited monies.

We anticipate next year being a financial challenge and have been putting in place strategies to improve our financial position and strengthen our business with minimal risk. This includes fund raising and looking at opportunities to diversify and expand our work.

Financial Review

These audited accounts cover the period from 27 September 2004 to 31 March 2006.

The Devon Racial Equality Council

Trustees' report for the period ended 31 March 2006

Application of the Charity's Funds

During the period covered by this report, Devon REC have sought to ensure that all income relates to a specific service delivery plan, through the development of service level agreements and outcome monitoring.

Reserves

The trustees have a policy whereby the unrestricted funds not otherwise committed or invested in tangible fixed assets held by the charity should be sufficient to keep it running. At present the free reserves, which amount to £27,810 do not reach the target level and the trustees are considering ways in which additional unrestricted funds will be raised.

The specific designation for the restricted funds held by the charity are set out in note 13 to the accounts.

Governance and internal control

The principle risk to the organisation is the cessation of significant funding streams. The status of funding streams is reported to the trustees on a regular basis. A plan for renewing and maintaining funding is in development.

The trustees, to continue to keep their system of risk controls under review, have adopted the following.

- An annual plan and budget
- Finance sub-committee to review performance against budget
- Maintaining internal financial controls through standing orders
- Early warning system to ensure that appropriate action can be taken where any risk to services is identified

Statement of trustees' responsibilities

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees have overall responsibility for ensuring that the charity has appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. 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 Devon Racial Equality Council

**Trustees' report
for the period ended 31 March 2006**

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The directors of the company must, in determining how amounts are presented within items in the statement of financial activities and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

Auditors

A resolution proposing that Thompson Jenner be reappointed as auditors of the charity will be put to the Annual General Meeting.

This report was approved by the trustees on 25 July 2006 and signed on its behalf by

Terry Falcao (Chair)

The Devon Racial Equality Council

Independent auditors' report to the members of The Devon Racial Equality Council

We have audited the financial statements of The Devon Racial Equality Council for the period ended 31 March 2006 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with S235 of the Companies Act 1985. 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 the trustees and auditors

As described in the statement of trustees' responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the trustees report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read the trustees report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2006 and of its incoming resources and application of resources, including its income and expenditure, for the period ended and have been properly prepared in accordance with the Companies Act 1985.

Thompson Jenner
Chartered Accountants and
Registered Auditors
25 July 2006

1 Colleton Crescent
Exeter
Devon
EX2 4DG

The Devon Racial Equality Council

Statement of financial activities

For the period from 1 July 2005 to 31 March 2006

		Unrestricted funds	Restricted funds	Period ended 31/03/06 Total
	Notes	£	£	£
Incoming resources				
Grants	2	118,782	115,360	234,142
Activities in furtherance of the charity's objects		-	-	-
Training income		32,755	-	32,755
Income from sales of books and booklets		86	-	86
Other incoming resources	3	2,772	-	2,772
Total incoming resources		<u>154,395</u>	<u>115,360</u>	<u>269,755</u>
Charitable expenditure				
Cost of activities in furtherance of the charity's objects:				
Charitable expenditure	4	(88,995)	(135,277)	(224,272)
Support costs	5	(53,545)	(2,739)	(56,284)
Governance costs	6	(3,028)	-	(3,028)
Total charitable expenditure		<u>(145,568)</u>	<u>(138,016)</u>	<u>(283,584)</u>
Net movement in funds		8,827	(22,656)	(13,829)
Total funds brought forward		<u>18,983</u>	<u>34,689</u>	<u>53,672</u>
Total funds carried forward		<u>27,810</u>	<u>12,033</u>	<u>39,843</u>

The notes on pages 9 to 16 form an integral part of these financial statements.

The Devon Racial Equality Council

Balance sheet
as at 31 March 2006

	Notes	31/03/06	
		£	£
Fixed assets			
Tangible assets	8		11,158
Current assets			
Stocks		1,030	
Debtors	9	5,188	
Cash at bank and in hand		27,385	
		<u>33,603</u>	
Creditors: amounts falling due within one year	10	<u>(4,918)</u>	
Net current assets			<u>28,685</u>
Net assets			<u>39,843</u>
Funds			
Unrestricted funds	12		27,810
Restricted funds	13		12,033
			<u>39,843</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Board on 25 July 2006 and signed on its behalf by

Hasnein Kanani
Treasurer

The notes on pages 9 to 16 form an integral part of these financial statements.

The Devon Racial Equality Council

Notes to the financial statements for the period ended 31 March 2006

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and follow the recommendations in 'Accounting and Reporting by Charities: Statement of Recommended Practice' issued in March 2005.

1.2. Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of trustees in furtherance of the general charitable objectives.

Restricted funds are created when income is received for a particular area or purpose, the use of which is restricted to that area or purpose. Expenditure is charged to the restricted fund when incurred.

1.3. Incoming resources

All income is accounted for on an accruals basis, except for voluntary donations which are taken to income when received. Provision is made for deferred income where grants received for specific purposes have not been expended by the balance sheet date or where use is restricted to future accounting periods.

Income from investments is included in the year in which it is receivable.

1.4. Resources expended

Resources expended are recognised in the year in which they are incurred.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.5. Value added tax

Value added tax is not recoverable by the Council and is included in the relevant costs in the Statement of Financial Activities.

1.6. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	-	25% reducing balance basis
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1.7. Stock

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

The Devon Racial Equality Council

Notes to the financial statements
for the period ended 31 March 2006

2. Grant income

	Unrestricted funds £	Restricted funds £	Period ended 31/03/06 £
Commission for racial equality	19,815	-	19,815
Devon county council	32	-	32
Exeter city council	4,325	-	4,325
Devon & Cornwall constabulary	15,000	-	15,000
East Devon district council	(250)	-	(250)
Home office	15,731	47,192	62,923
Playlines trust	51,698	-	51,698
South Hams district council	(4,250)	-	(4,250)
Big lottery fund	10,682	32,044	42,726
European dialogue	1,446	-	1,446
Childrens fund - planet rainbow	353	17,214	17,567
Change Up	-	16,700	16,700
Banner	4,200	-	4,200
Span UK	-	2,210	2,210
	<u>118,782</u>	<u>115,360</u>	<u>234,142</u>

3. Other incoming resources

	Unrestricted funds £	Period ended 31/03/06 £
Room rent received	605	605
Donation	35	35
Other income	2,132	2,132
	<u>2,772</u>	<u>2,772</u>

The Devon Racial Equality Council

Notes to the financial statements
for the period ended 31 March 2006

4. Direct charitable expenditure

	Unrestricted	Restricted	Period ended 31/03/06
	£	£	£
Salaries and social security	52,878	87,321	140,199
Insurance	1,030	-	1,030
Training courses	16,033	-	16,033
Computer costs	4,677		4,677
Advertising	1,111		1,111
Payroll services	1,728	-	1,728
Travelling	4,619	5,579	10,198
Volunteer expenses	205	30	235
Consultancy fees	-	5,750	5,750
Rural Outreach Project	329	-	329
Woodward Charitable Trust	-	797	797
European Dialogue	4,267	-	4,267
Change Up	-	9,224	9,224
Span UK	-	2,134	2,134
Planet Rainbow	-	17,296	17,296
Awards For All	-	3,690	3,690
Management fees	-	3,000	3,000
Depreciation	2,118	456	2,574
	<u>88,995</u>	<u>135,277</u>	<u>224,272</u>

5. Support costs

	Unrestricted	Restricted	Period ended 31/03/06
	£	£	£
Rent, rates and service charges	13,792	-	13,792
Light and heat	401	-	401
Cleaning	375	-	375
Repairs and maintenance	6,946	12	6,958
Interpreting costs	1,059	-	1,059
Postage, stationery and telephone	20,105	1,689	21,794
Recruitment and advertising	2,705	774	3,479
Computer costs	363	-	363
Hire of equipment	774		774
Room Hire	1,169		1,169
General expenses	5,856	264	6,120
	<u>53,545</u>	<u>2,739</u>	<u>56,284</u>

The Devon Racial Equality Council

Notes to the financial statements
for the period ended 31 March 2006

6. Governance Costs

	Unrestricted £	Restricted £	Period ended 31/03/06 £
Legal and professional	5	-	5
Audit and accountancy	3,023	-	3,023
	<u>3,028</u>	<u>-</u>	<u>3,028</u>

7. Employees

Number of employees

The average monthly numbers of employees
during the period were:

Administration

Period
ended
31/03/06
Number

10

Employment costs

No employees received emoluments exceeding £60,000.

	Unrestricted £	Restricted £	Period ended 31/03/06 £
Wages and salaries	41,212	66,291	107,503
Social security costs	16,765	26,966	43,731
	<u>57,977</u>	<u>93,257</u>	<u>151,234</u>

Trustees' Emoluments

No remuneration was paid to any member of the executive committee during the year.

The Devon Racial Equality Council

Notes to the financial statements
for the period ended 31 March 2006

8.	Tangible fixed assets	Fixtures, fittings and equipment £	Total £
	Cost		
	Additions	13,732	13,732
	At 31 March 2006	<u>13,732</u>	<u>13,732</u>
	Depreciation		
	Charge for the period	2,574	2,574
	At 31 March 2006	<u>2,574</u>	<u>2,574</u>
	Net book value		
	At 31 March 2006	<u><u>11,158</u></u>	<u><u>11,158</u></u>
9.	Debtors		31/03/06 £
	Trade debtors		4,339
	Prepayments and accrued income		849
			<u>5,188</u>
10.	Creditors: amounts falling due within one year		31/03/06 £
	Trade creditors		1,980
	Accruals and deferred income		2,938
			<u>4,918</u>

The Devon Racial Equality Council

Notes to the financial statements
for the period ended 31 March 2006

11. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2006 as represented by:			
Tangible fixed assets	9,186	1,972	11,158
Current assets	23,542	10,061	33,603
Current liabilities	(4,918)	-	(4,918)
	<u>27,810</u>	<u>12,033</u>	<u>39,843</u>

12. Unrestricted funds

	1 July 2005 £	Incoming £	Outgoing £	31 March 2006 £
Unrestricted funds	18,983	154,395	(145,568)	27,810
	<u>18,983</u>	<u>154,395</u>	<u>(145,568)</u>	<u>27,810</u>

The Devon Racial Equality Council

Notes to the financial statements
for the period ended 31 March 2006

13. Restricted funds	1 July 2005	Incoming	Outgoing	31 March 2006
	£	£	£	£
National Lottery Charities Board	129	-	(129)	-
The Big Lottery Fund	14,357	32,044	(46,401)	-
Regional Development Agency	3,514	-	(3,514)	-
Home Office	7,639	47,192	(54,831)	-
Awards for All	4,850	-	(3,690)	1,160
Woodward Charitable Trust	4,200	-	(797)	3,403
Change Up - Living Options	-	16,700	(9,224)	7,476
Span UK - Strengthening Families Project	-	2,210	(2,134)	76
Planet Rainbow	-	17,214	(17,296)	(82)
	<u>34,689</u>	<u>115,360</u>	<u>(138,016)</u>	<u>12,033</u>

Purposes of restricted funds

The National Lottery Charities Board provided a grant for fixed assets. The depreciation of these assets is charged against the fund.

The Big Lottery Fund have provided a three year grant commencing 1 January 2005 for particular staff posts.

The South West Regional Development Agency fund represents funds held for use against web site development costs.

The Home Office provided a Connecting Communities race equality grant to help fund the running costs.

Awards for All have funded a publicity and resource pack.

The Woodward Charitable Trust have provided funds in connection with a drama project.

Change-up is a government programme to assist voluntary sector organisations in building and extending infrastructure. As a member of the local consortium we hosted a short research project to look at equality in regard to race, disability and sexuality.

Span UK is a small network of Black and minority ethnic parents who meet to develop parenting skills. Supported by the National Race Equality Unit, funds pay for learning packs, childcare and tutor fees.

Planet Rainbow is a small group providing support to missed heritage families and children. We hold their finances and assist with bookkeeping.

The Devon Racial Equality Council

Notes to the financial statements
for the period ended 31 March 2006

14. Financial commitments

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as follows:

	31/03/06
	£
Expiry date:	
Between one and five years	<u>18,000</u>

15. Related party transactions

Some members of the Executive Committee were reimbursed expenses.

16. Indemnity insurance

The charity paid for the insurance premiums to indemnify trustees and senior staff from any loss arising from neglect or defaults of trustees or staff and any consequent loss.

The premium paid during the period was £606.