

HARROW COUNCIL FOR RACIAL EQUALITY

DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2006

The Directors present their report together with the audited accounts for the year ended 31 March 2006.

Company Status

The company is a registered charity and a company limited by guarantee.

Principal Activity and Objects of the Company

The HCRE has no trading or commercial activities. The company's main areas of activities are as follows:

- 1) Harrow Council for Racial Equality (HCRE) is an independent organisation working in conjunction with The Commission for Racial Equality (CRE), the Local Authority and other statutory and voluntary agencies.
- 2) To promote the racial harmony and fight racism and discrimination within the community.
- 3) To liaise with Community Groups, Local Authority, and all other voluntary agencies to promote equal opportunity policies in Education, Health and Employment in all other areas as the case may be.

Review of the Business

Once again there was a reduction in grant from Commission for Racial Equality which has resulted in the net incoming resources. In spite of reduced grant we did not compromise to reduce the services provided by us. During the year Council undertook an additional project to improve access to health services for Black, ethnic and other hard to reach communities within London Borough of Harrow. A joint funded project assigned by Sports England, London Borough of Harrow and John Lyons Charity in respect to increase overall level of sports participation for ethnic minorities was successfully completed. We continually have made excellent progress in meeting all our key objectives.

Results

The results are considered to be satisfactory and it is hoped that this will continue in the future.

The results for the year are shown in the Statement of Financial Activities, Balance Sheet and Notes.

Directors

The directors during the year were:

Digvijay Jadeja	(Appointed 7 July 2005)
Ajay Kumar Aggarwal	
Zia Syeed Baig	(Resigned 7 July 2005)
Madan Badale	(Resigned 7 July 2005)
Trevor Chisholm	
Anne Denise Diamond	(Appointed 7 July 2005)
None of the directors have any beneficial interest in the company.	

Company Secretary

The company secretary during the year was Mr Prem Pawar



Post Balance Sheet Events

Once again, the grant from the Commission for Racial Equality has been reduced. We would endeavour to provide the level of increased services demand and try to meet the shortfall from the additional income generated in the current year.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Reddy

Siddiqui be re-appointed as auditors to the company, will be put to the Annual General Meeting.

HARROW COUNCIL FOR RACIAL EQUALITY

DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2006 (continued)

Directors/Trustees Responsibilities

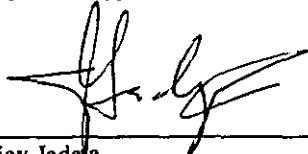
Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the company's financial activities during the year and of its financial position at the end of the year. In preparing financial statements and giving a true and fair view, the directors should follow best practice and:

- > 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 company will continue in operation.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy the financial position of the company and which enable them to both ascertain the financial position of the company and which enables them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 22/06/2006 and signed on its behalf.



Digvijay Jadeja

**HARROW COUNCIL FOR RACIAL EQUALITY
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HARROW COUNCIL FOR RACIAL EQUALITY
FOR THE YEAR ENDED 31 MARCH 2006**

We have audited the financial statements of Harrow Council for Racial Equalities for the year ended 31 March 2006 on pages 4 to 12 which comprises Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the trustees and auditors

As described in the statements of trustees' responsibilities on page 2 the trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinions as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies House Act 1985. We also report to you if, in our opinion, the Trustees Annual Report is not consistent with the financial statements, if the charity 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 charity is not disclosed.

We read other information contained in the Trustees Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

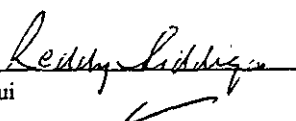
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or irregularity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

Opinion

We are satisfied that the funds provided by the commission for Racial Equalities have been properly discharged in accordance with the term and conditions of the grant aid.

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year and have been properly prepared in accordance with the Companies House Act 1985, applicable to small companies.

Reddy Siddiqui



22 June 2006

Chartered Accountants
Registered Auditors

Park View
183-189 The Vale
London W3 7RW

HARROW COUNCIL FOR RACIAL EQUALITY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2006

		2006		2005	
INCOMING RESOURCES	Notes	Restricted	Unrestricted	Restricted	Unrestricted
		Fund	Fund	Fund	Fund
		£	£	£	£
Project Management Fees			21,645		14,380
Commission for Racial Equality Grant		22,425		31,158	
London Borough of Harrow Grant		56,795		52,075	
Subscriptions		220		198	
Interest			8,705		7,306
Advocacy Services			4,002		12,747
Total Incoming Resources		79,440	34,352	83,431	34,433
RESOURCES EXPENDED					
Recruitment cost		1,415		1,972	
Bank Charges		547		389	
Anti Racial Rally and Promotion		363		831	
Salaries including NIC	20	57,303	14,500	68,520	
Pension Cost	21	4,872		18,408	
Pension Cost - funded by CRE	-	4,872		-18,408	
Rent, Rates, Light and Heat		12,758		12,742	
Insurance		1,912		1,308	
Room Hire, Catering and refreshments		915		1,412	
Furniture and Equipment Purchased		805		1,353	
Repairs and Maintenance		1,719		-	
Postage, Printing and Stationery		2,218	3,825	2,894	4,671
Telephone		4,661		5,233	
Travel and Subsistence		2,639		2,414	
Books and Publications		532		602	
Courses and Training		554		587	
Sundries		3,380		2,360	
Legal and Professional		-		223	
Depreciation	6	34		45	
Audit & Accountancy		2,115		2,115	
Contribution to overheads by projects excluding projects staff salaries	-	14,430		(21569)	
Total Resources Expended		79,440	18,325	83,431	4,671
Net Incoming/ (Outgoing) Resources			16,027	-	29,762

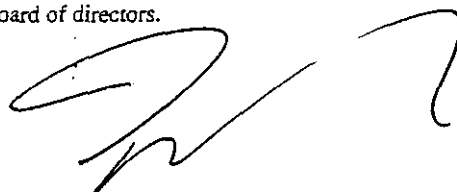
HARROW COUNCIL FOR RACIAL EQUALITY
BALANCE SHEET
AS AT 31st MARCH 2006

	Notes	2006 £	2005 £
FIXED ASSETS	6	103	137
CURRENT ASSETS			
Debtors	7	2,154	10,556
Cash and Bank Balance		190,170	182,842
		<u>192,324</u>	<u>193,398</u>
CREDITORS: AMOUNTS FALLING DUE LESS THAN ONE YEAR	8	43,165	88,657
		<u>149,159</u>	<u>104,741</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>149,262</u>	<u>104,878</u>

FUNDS:		Restricted	Unrestricted	Restricted	Unrestricted
General Funds/Appropriation account	18		63,631		41,439
Administrative Support Fund	13	12,000		12,000	
Refugee Contingency Fund	14	10,000		10,000	
Contingency Fund/Appropriation account	17	63,631		41,439	
		<u>85,631</u>	<u>63,631</u>	<u>63,439</u>	<u>41,439</u>
		<u>149,262</u>		<u>104,878</u>	


The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies and with the Financial Reporting Standard for smaller entities.

The financial statements were approved by the Board on 22 June 2006 and signed on behalf of the board of directors.



Trevor Chisholm

Director



Digvijay Jadeja

Director

The notes on page 6 to 12 form part of these accounts.

**HARROW COUNCIL FOR RACIAL EQUALITY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 March 2006**

1. Accounting Policies

a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective June 2002).

The principal accounting policies which the directors have adopted within that convention are set out below.

b) Cash flow Statement

The company has taken advantage of the exemption in FRS1 (cash flow statements) from the requirements to prepare the cash flow statement on the grounds that it is a small company.

c) Pension

The pension cost charged in the financial statements represents the contribution payable by the company during the year in accordance with the Financial Reporting Standard-17 (Retirements Benefits).

d) Depreciation

Depreciation is charged on a reducing balances basis, to write off the assets over their expected useful lives as follows:

Fixtures, Fittings & Equipment	25%
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e) Fixtures, Fittings & Equipment

Acquisition of capital assets (except freehold property), fixture, fittings and equipment will be charged to the accounts in the year of acquisition.

Old assets continue to be charged as per the old policy.

2. Income

All the donation and grants are shown as income for the period in which they are received. Restricted funds are to be used for specific purpose and laid down by the donor. Expenditure which meets these criteria is defined to the funds with a fair allocation of management and support cost.

Unrestricted funds are donations and other income received and generated for the objects for the charity without specific purpose and are available as general funds.

3. Taxation

The company is not liable Corporation tax as it is registered charity.

4. Net Incoming Resources for the year

Net Incoming resources for the year stated after charging:

	2006	2005
Depreciation	34	45
Auditors Remuneration	2,115	2,115
	<u>2,149</u>	<u>2,160</u>

5. CRE GRANT LESS RELATED EXPENDITURE

	2006	2005
	£	£
CRE grant received	27,297	49,566
Less: Salaries specified by CRE	-	-31,158

Pension cost - CRE	-4,872	-18,408
Resources expenditure	<u>-22,425</u>	<u>-</u>
	<u>-</u>	<u>-</u>

HARROW COUNCIL FOR RACIAL EQUALITY
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 March 2006

6. FIXED ASSETS

	Fixtures, Fittings & Equip. £
Cost	
As at 01/04/2005	<u>10,030</u>
As at 31/03/2006	<u>10,030</u>
Depreciation	
As at 1/4/2005	9,893
Charge for the year	34
As at 31/3/2006	<u>9,927</u>
Net book Value	
As at 31/3/2006	<u>103</u>
As at 31/3/2005	<u>137</u>

7. DEBTORS

	2006 £	2005 £
Refugees and Asylum Seeking Children Project (See Note 11)	-	300
City Parochial Fund for Mentoring Project (See note 9)	-	3,500
Sundry Debtors	1,178	856
Harrow Sports Council-Joint Funding-(see note 10)	976	-
Prepayments	-	5,900
	<u>2,154</u>	<u>10,556</u>

8. CREDITORS

	2006 £	2005 £
Carer Holidays Project (See note 15)	135	2425
Sports England (See note 10)	-	8374
Domestic Violence Outreach Project (See note 12)	292	674
Harrow Health Advocacy and Referral Project (See note 16)	3,095	-
Connexions London West & The City Parochial (See Note 9)	182	-
Other projects and deferred Income	22,624	31,882
Other Taxes and Social Security Costs	-	9
Sundry Creditors	8,726	19,065
Accruals	8,111	26,228
	<u>43,165</u>	<u>88,657</u>

HARROW COUNCIL FOR RACIAL EQUALITY
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2006

9. MENTORING & ADVOCACY PROJECT

The project was jointly funded by the Connexions London West & City Parochial Foundation for the period of three years ending 30 June 2007. The aim of the project is to provide mentoring and advocacy services to school children, aged 5 - 13.

The summary of account is as follows:

	2006	2005
	£	£
Balance at 1 April 2005	- 3,500	-
Connexions London West	1,612	-
The City Parochial Foundation		
Funds Received		
Connexions London West	14,000	10,500
The City Parochial Foundation	17,500	7,000
Expenditure :		
Project's staff salaries	- 24,030	- 19,321
Contribution to overheads	- 5,400	- 1,679
Balance at 31st March 2006	<u>182</u>	<u>- 3,500</u>

10. SPORTS ENGLAND COMMUNITY SPORTS DEVELOPMENT PROJECT

The project jointly funded by Sports England, London Borough of Harrow, John Lyon Charity and Harrow Sports Council. The aim of the project is to increase the overall level of sports participation for ethnic minorities in the London Borough of Harrow.

The project is for a period of three year ending October 2005. As a result of late start of the project, it was extended and successfully completed in December 2005.

The summary of annual accounts is as follows;

	2006	2005
	£	£
Balance at 1 April 2005	8,374	10,991
Funds received		
Sports England	13,190	25,191
Harrow Sports Council-Joint Funder	3,501	0
Expenditure:		
Project's staff salary	(17,626)	(21,502)
Expenses -Harrow Sports Council	(4,815)	-
Contribution to overheads	(3,600)	(6,306)
Balance at 31st March 2006	<u>-976</u>	<u>8,374</u>

HARROW COUNCIL FOR RACIAL EQUALITY
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2006

11. ACTIVITY SCHEME FOR REFUGEE AND ASYLUM SEEKING CHILDREN

The project was for a period of three years ending 31 March 2006, funded by Harrow Children's Fund Partnership (Accountable Body London Borough of Harrow). The aim of the project is to provide culturally specific extra-curricular activities for refugee and asylum seeking children, aged 5 - 13 to provide opportunities to participate in mainstream activities.

The scheme has now been successfully completed.

The same scheme has now been extended for the year 31 March 2007 and in future will be renewed annually.

The summary of account is as follows:

	2006	2005
	£	£
Balance at 1 April 2005	- 300	1,668
Funds received	19,610	19,458
Expenditure		
Project's staff salary	- 9,933	-13795
Children's trips and activities	- 3,842	-2745
Contribution to overheads	- 5,535	-4886
Balance at 31st March 2006	<u>-</u>	<u>-300</u>

12. DOMESTIC VIOLENCE OUTREACH PROJECT

The project is funded by Harrow Primary Care Trust for a period of three years ending 30 June 2007. The aim of the project is to promote awareness, support and links for people in domestic violence situations.

The details reported in quarterly monitoring reports to 31 March 2006 to Harrow Primary Care Trust.

The summary of account is as follows:

	2006	2005
	£	£
Balance at April 2005	674	-
Funds received	35,876	26,250
Expenditure:		
Project's staff recruiting cost and salary	- 25,908	-18,546
Publicity and project's workshop expenses	- 750	-781
Contribution to overheads	- 8,400	-4199
Capital expenditure	- 1,200	-2050
Balance at 31 March 2006	<u>292</u>	<u>674</u>

Note: 2005 was a shorter period of 9 months.

HARROW COUNCIL FOR RACIAL EQUALITY
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2006

16. HARROW HEALTH ADVOCACY AND REFERRAL PROJECT (H163)

During the year the Council was involved with the above project funded by the Harrow Primary Care Trust for a period of three years ending May 2008. The aim of the project is to improve access to health services for Black, Ethnic and other hard to reach communities within London Borough of Harrow.

The details reported in quarterly monitoring reports to 31 March 2006 to Harrow Primary Care Trust.

The summary of accounts is as follows:

	2006
	£
Funds received	35,000
Expenditure:	
Project's staff recruiting cost and salary	- 22,699
Publicity and projects expenses	- 1,006
Contribution to overheads	- 7,000
Capital expenditure	- 1,200
Balance at 31st March 2006	<u><u>3,095</u></u>

17. CONTINGENCY FUND

As a result of gradual reduction in Grant from Commission for Racial Equality a contingency fund was created in the accounting year ended 31 March 2005. The amount of transfer from Appropriation account has been set at 50% of total unrestricted fund at the end of each accounting year.

	2,006	2005
	£	£
Balance at 1 April 2005	41,439	-
Transfer from Appropriation Account - note 19	22,192	41,439
Balance at 31 March 2006	<u><u>63,631</u></u>	<u><u>41,439</u></u>

18. GENERAL FUND

	2006	2005
	£	£
Balance at 1 April 2005	41,439	17,385
Transfer from/to Appropriation account - note 19	22,193	-17,385
Balance at 31 March 2006	<u><u>63,632</u></u>	<u><u>-</u></u>

HARROW COUNCIL FOR RACIAL EQUALITY
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 MARCH 2006

19. APPROPRIATION ACCOUNT	Total £	Restricted £	Unrestricted £
Net Incoming Resources	16,027		
Debts no longer payable	28,357		
Total fund	44,384		
Transfer to Contingency fund (50%) - note 17	22,192	22,192	
Transfer to General fund (50%) - note 18	22,192		22,192
	44,384	22,192	22,192

20. EMPLOYMENT COSTS	2006 £	2005 £
Wages and salaries (excluding NIC)	66,423	63,556
Employers NIC	5,380	4,965
*Pension costs	4,873	18,408
	76,676	86,929

*Pension cost was funded by the Commission for Racial Equality until 30 June 2005 when Commission decided that all future contribution will cease on that date.

No salary was paid to the directors of the company.

21. PENSION SCHEME

The pension scheme was funded by the Commission for Racial Equality (CRE). The CRS decided to discontinue future accrual benefits with effect from 30 June 2005 and the scheme now been wound up. The CRE has made a final transitional payment in the sum of £4,465.98 to cover the period 1st July 2005 to 31st March 2006. The fund is currently held by the Council and will be applied in funding an alternative pension scheme to be arranged either by the member or by Harrow Council for Racial Equality.