

 THE EQUALITY TRUST

The Equality Trust Annual Report 2016

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The Trustees present their annual report and accounts for the year ended 31st December 2016.

The Board of Trustees are satisfied with the performance of the charity during the year and the position at 31st December 2016 and consider that the charity is in a strong position to continue its activities during the coming year, and that the charity's assets are adequate to fulfil its obligations. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Reference and Administrative Information

Charity name: The Equality Trust.

Charity Registration Number: 1161545

Company Registration Number: 6084965

Registered Office and operational address:

Resource for London, 356 Holloway Road, London, N7 6PA

Trustees

Sean Baine – Chair

Professor Kate Pickett

Zoe Williams

Judith Moran

Liz Mann – Treasurer (appointed 4th February 2016)

Professor Richard Wilkinson

Cathy Debenham (resigned 4th May 2016)

Tom Powdrill

Independent Examiner

Mary Wallbank

Charity Management Services

18 Park Road

Chandlers Ford

Eastleigh

Hampshire

SO53 2EU

Bankers

Unity Trust Bank Plc

Nine Brindley Place

Birmingham

B1 2HB

CAF Bank Ltd

25 Kings Hill Ave, Kings Hill

West Malling, Kent

ME19 4JQ

Cambridge & Counties Bank

Charnwood Court, New Walk

Leicester

LE1 6TE

Ecology Building Society

7 Belton Road, Silsden

Keighley, West Yorkshire

BD20 0EE

Funders and Supporters

We are extremely grateful to all our funders, our many individual donors, and to those who support us with time, donated services and expertise.

Network for Social Change
Bowland Charitable Trust
Tudor Trust
Big Lottery Fund: Awards for All
HT&LB Cadbury Charitable Trust
Rainbow Pie

Consult and Design International Ltd
Google for Work
Slack Communications
iNet Telecoms Ltd
LeaveWizard Ltd
Cambridge House and Talbot

Message from the Executive Director

The past year has been anything but predictable. In particular, the vote to leave the EU represented a seismic event within British political and social life. Reimagining our place in the world after 'Brexit' will be a huge challenge for the country, and building a more just, fair and equal society will be equally challenging for organisations such as ours.

What is abundantly clear is that while the referendum may have widened divisions in our society, those fault lines already existed, and have been present for some time.

However, I firmly believe that the past year has been a wake up call to many. Since starting in this role in September, I have seen the passion and commitment that so many people have to tackle the dangerously high inequality we see today. It is clear, not only from public polling, but from the many events and meetings I have attended with politicians, business leaders and activists, that the tide is turning. Inequality is no longer accepted, and people are actively looking for ways to tackle it.

This is in no small part as a result of our work in 2016. I have the privilege of regularly being invited to comment in the media and speak at events around the country, and inequality has been right at the top of many agendas. Over the past year we expanded our work and its impact, with an increased research output focused on key areas of public concern relating to inequality, such as housing, savings and debt. In the next twelve months we expect to develop this work further, providing a platform for people to describe their experiences of inequality in their own words.

The fantastic work of our dedicated local groups and supporters continues to amaze me. The groups have increased in size and scope over the past year, and continue to drive local action on inequality. From setting up fairness commissions, to signing up companies and councils as Living Wage employers, they've delivered real, tangible change for low-paid workers throughout the UK in 2016.

We know that when the rungs on the ladder get wider, we all suffer. As a result, individuals in more unequal countries such as ours experience poorer mental and physical health, worse educational outcomes, higher levels of violent crime, and, quite possibly, poorer economic growth.

However, there is a widespread thirst for change, and we must look to the future and towards solutions. Our society can be what we make of it, if we have the will and the courage to fight for a more equal and just society. The Equality Trust will continue to do so in 2017, and as ever, we thank those who've supported us, funded us, and encouraged us over us the past year. We really couldn't do it without you.

**Dr Wanda Wyporska,
Executive Director, The Equality Trust**

Our Vision

The Equality Trust campaigns for a fairer and more equal society in the UK, based on a sustainable economy able to deliver a better quality of life for all.

We wish to see a society where everyone is able to flourish and:

- enjoy good mental and physical health, low levels of stress, and access to healthy lifestyles
- to realise their aspirations, and choose work and ways of living they find meaningful and fulfilling, regardless of their backgrounds
- receive financial rewards that reflect effort and talent
- benefit from a strong and stable economy
- feel safe and secure
- feel involved in the political decisions that affect their lives and have an equal say in the future of their society.

Our Objectives

The Equality Trust's objects, as laid down in its Memorandum and Articles of Association are:

1. To advance education, particularly education of the public through undertaking and/or promoting research into the scale, development, causes and effects of socio-economic inequality and means to reduce socio-economic inequality, publishing or procuring the publication of, the useful results of such research;
2. To relieve poverty, including through the relief of social and economic need and disadvantage related, in whole or part, to socio-economic inequality;
3. To advance health, in particular through identifying and addressing physical and mental health issues arising, in whole or part, from socio-economic inequality.
4. To promote equality and diversity, in particular socio-economic equality and diversity within socio-economic groups.

The central aim of The Equality Trust, and the vision that shapes our activity, is the improvement in quality of life in the UK through the reduction of social and economic inequality. Our work is based on a substantial and developing body of research evidence that reducing inequality has significant public benefit, through enhanced health and social outcomes that improve the quality of life of all.

In shaping our objectives for the year and planning our activities, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit.

The Trustees do not identify any potential detriment or harm arising from the activities of The Equality Trust.

Our Strategy

1. To be the authoritative front-of-mind campaigning organisation on social and economic inequality and mainstream the public benefits of reduced inequality within public and political opinion and discourse.
2. To achieve changes in policy and practice by government nationally and locally, in the private sector, the public sector and in the Third Sector to reduce inequality
3. To support and grow a diverse grassroots inequality activist movement and increase its visibility
4. To record and tell the story of inequality in the UK
5. To ensure TET is engaged in the full range of work necessary to reduce inequality
6. To ensure TET is fully-resourced and sustainable

Our Work

- Analysing research into the causes, effects, and possible solutions to inequality, which is developed and shared to:
 - educate the public, policymakers and other decision-makers on the research evidence showing the effects of inequality;
 - ensure public policy draws on such evidence to tackle inequality.
- Activism through work to develop a wider grassroots movement, supporting the work of The Equality Trust at both a national and local level. This includes through the wider dissemination and promotion of research, and the encouragement of tangible action from policymakers and other decision-makers to reduce inequality.

Our Successes in 2016

Research and education

We strongly believe that a crucial stage in addressing inequality is building knowledge and understanding of its scale and effects. Over the past year we have continued to pioneer the public debate on inequality, through our research, media and activist work.

Our research and analysis continues to influence key stakeholders, from business leaders to politicians and NGOs. Last year our work was cited by organisations including Oxfam, the Co-operative Party, Unite, Church Action On Poverty, Joint Public Issues Team (JPIT), Class, and the Fabians.

Awareness raising

In 2016 our combined media coverage continued to grow, reaching an audience of over 5.5 million people. This included coverage in The Daily Telegraph, The Sun, The Guardian, The Daily Mail, The Daily Mirror, The Independent, BBC, Sky News, Al-Jazeera, the New Statesman and the Huffington Post. Journalists now regularly approach the Trust as a reliable source for comment on issues relating to inequality. We have raised awareness of the dangers of inequality to an audience of over 5.5 million people, through our media work and outreach.

We believe that our media work has likely been a significant factor in changing public attitudes towards inequality, as measured by the Ipsos MORI issues Index, showing issues of most concern to the public. In 2012, the average monthly percentage of the top two mentions of 'poverty/inequality' was 10.3%. By 2016 that figure had risen to 15.4%.

Our social media presence has increased to over 31,000 followers and supporters, a gain of 12% from 2015.

Over 90% of supporters said they felt more informed about economic inequality as a result of our work, and over half took action.

Grassroots campaigning

An enduring success, and lasting impact, of the Trust's work has been the development of a unique network of diverse and committed local equality groups. The Trust now has 27 local groups across the UK, from South Wales, to Glasgow, Leeds, Manchester, Norwich, London, and beyond. These groups have made significant progress in not only raising awareness of inequality, but also creating positive change at a local level to reduce it.

Equality groups have the freedom to focus on specific local drivers of inequality – from a lack of local Living Wage employment, to limited collective bargaining power, to a lack of access to local public services for low income households. Notable successes in 2016 include:

- the publication of the final report from the London Fairness Commission, the culmination of the campaign by our affiliated local group, My Fair London, to establish the Commission. The report was endorsed by the London Mayor and now informs the work of the Mayor and the GLA on tackling inequality.
- our Colchester group was part of a coalition that persuaded the local Borough council to become a Living Wage employer.
- our affiliated local group, Fair Cumbria, contributed towards Keswick Town Council unanimously passing a motion in favour of the Living Wage being adopted in the town.
- in Croydon, the local group worked to get 20mph speed limits put in place in north Croydon, which will go some way to reducing the scope for serious road accidents that, research shows, disproportionately affects poorer people.

Most importantly, our local groups have also provided an invaluable space for thousands of people in local communities throughout the UK to meet, engage with one another, and develop strong bonds of mutual respect and trust.

As a result of strengthened relationships with grassroots supporters, last year we increased our paying supporter numbers by 15%, developing a more robust and self-sustaining funding system.

Public affairs

A grassroots movement championing inequality reduction is vital for change, but so too is action from policymakers. The Equality Trust escalated its public affairs activity in 2016, building excellent working relationships with members across political parties, and regular contact with around 20 MPs and 10 peers. As a result, our work was cited by representatives of the Labour Party, Scottish National Party, and the Green Party. Last year we briefed MPs in advance of debates, drafted Parliamentary Questions and sent personal letters to MPs mentioning inequality and related subjects.

Working with business

Pay inequality is a significant driver of overall economic inequality. As such, over 2016 the Trust has worked to develop stronger relationships with business groups and individual businesses.

We have taken businesses a strong message on the importance and value of greater equality to their businesses, and the wider economy. Our KPMG roundtable built important links with representatives from KPMG, Deloitte, the UN, PRI, church investors and independent business consultants. As part of the process we also made contacts with major organisations including Standard Life, Hermes, Grant Thornton and RPMI Railpen. This direct engagement is building understanding within the private sector of the pernicious effects of inequality, and the benefits to business of reducing it.

The Equality Trust in 2016

January – Our analysis of FTSE 100 CEO pay, ‘fat cat’ excess and wealth inequality was featured in The Guardian, the Daily Mirror, The Times, Sky News and Al Jazeera.

February - Our ‘Aspiration Tax’ report showed the high marginal tax rates faced by those on Universal Credit. The report was covered by the Daily Telegraph, Daily Mail, Guardian, ITV News and the Huffington Post. The report also led to meetings with prominent MPs within the Labour Party, the Liberal Democrats and the SNP to discuss our findings and policy proposals. It has been cited by Unite, Church Action on Poverty, and JPIT.

March – Our analysis of struggling families moving onto Universal Credit was featured in the Daily Mirror and our call for the Government to include an analysis of how the Budget affected different households was covered by The Guardian. The Government reinstated this distributional analysis in its Autumn Statement.

April - Our annual Wealth Tracker report highlighted the scale of economic inequality in the UK by demonstrating how the wealth of the richest 1,000 people in Britain could be used more equitably. This was covered by the Guardian, the Independent and The Week.

May - We showed how unfair the tax system was in our updated tax briefing, Unfair and Unclear. We called for changes including a progressive property tax, and received coverage in the Daily Mirror. We also developed a range of videos with prominent thinkers in economics, philosophy, epidemiology and other areas discussing issues relating to inequality. This was part of ongoing work relating to the release of the film ‘The Divide’. The film has achieved significant success and has been viewed thousands of times, it is available on Netflix and Amazon Prime. This is in no small part to the support provided by the Equality Trust throughout its development.

June – Our local groups day provided supporters with training on effective campaigning, and included talks from the Living Wage Foundation, Fair Tax Mark and the academic Stewart Lansley on solutions to reducing inequality.

July – We liaised with MPs and parliamentarians on the likely impact of the EU referendum result on UK inequality.

August - We outlined the extent of housing inequality in the UK through the publication of our report, ‘A House Divided’ which found that nearly 9 out of 10 renters had too little savings or income to afford even a 5% deposit on the average house. Our briefing note was covered by the Guardian, Daily Mirror, New Statesman, The Week, Evening Standard and a collection of construction and mortgage related trade press.

September – Our newly appointed Executive Director, Dr. Wanda Wyporska discussed ‘Britain’s Great Divide’ with Reuters.

October - Our report 'Walking the Tightrope,' showed the precariousness of many household finances and called for policy proposals to improve savings amongst low income households. The briefing was covered by a range of national press, including the Daily Express, The Sun, Daily Mail, The Independent, Yorkshire Post, Belfast Telegraph and a collection of regional and trade press. Our Executive Director appeared on BBC Radio 4's The Moral Maze.

November – Our work on Equal Pay Day was featured in Stylist magazine and our work during Living Wage Week, on FTSE 100 companies that are still not Living Wage accredited, was featured in the Daily Mirror.

December – Our annual supporter conference Inequality Today, held in December, included keynote speeches from Ed Miliband MP and Molly Scott Cato MEP. Attended by over 100 people, 93% of respondents indicated that they had learnt more about economic inequality from the event and all felt moved to take action to highlight or tackle economic inequality. In conjunction with this event we developed an activist handbook, to provide guidance on effective campaigning for local groups and supporters.

Our Local Groups

"More than anything, The Equality Trust ignites and fosters the realisation that, even alongside the everyday demands of life and work, we can have a real and meaningful effect on our local area, and as part of a greater nationwide movement for a fairer society. Our relationship with the Trust has shown us that a great deal can be achieved, not through time or money, but with simply the motivation to make change happen." **Adam, Colchester Equality**

"The reason for being a member is simply that we have such institutional and ingrained inequality in Britain and elsewhere today and Equality North West and The Equality Trust provide opportunities to work against such a pernicious situation. I get to spend time working with fundamentally decent human beings who aren't entirely motivated by their own self-interest and I do it because it makes a difference." **Various members of Equality North West**

"We have run several campaigns and have been successful in influencing changes around pay ratios and the Living Wage. With the backing of The Equality Trust we are seen as a credible organisation that is listened to and respected locally." **Mary, Equality Bristol**

"We feel that we have helped to put inequality firmly on the London political agenda. We are now in contact with the Mayor's office and hope to see some practical policies come out from there. It's also good to feel part of a wider network. Through TET we have met fairness campaigners from all over the country. Finding out that we are not alone and that there are other people all over the country as angry as we are really helps us in London, the UK capital of inequality." **Alex, My Fair London**

“I always say that we seem to do be doing things differently from others but both Wanda and Bill are always encouraging and supportive of what we do so that it is relevant to Oswestry. We are a small town with specific issues relating to poverty and exclusion and we have been supported to develop in a way that makes sense to our setting.” **Penny, Oswestry**

The Year Ahead

With a new strategy in place, 2017 offers many opportunities for us to celebrate and engage with a wide variety of new partners as well as substantially expand on our current activities in research, media and activism. We are launching an affiliation scheme, through which organisations can support our aims. In 2017 we will tell the stories of the people that lie behind the statistics, of ‘inequality and you’ and how it affects you, your family and your community in every respect. It is our belief that only by telling these stories that we can truly demonstrate how a more equal society would improve everyone’s lives. We shall also further develop key areas of work on Sustainable Development Goals, corporate governance, responsible business, rights, taxation and wealth, as well as health.

Working with young people

An exciting part of our work this year, is the development of our education work, which will include school resources on inequality and our work with young people on their views and lived experiences of inequality. Through this work we will co-create projects and narratives with young people through action research advocate programmes across the country. This will help to shape generational change, as well as encouraging democratic participation. It will also bring to the fore, voices of young people on inequality, which have not traditionally been heard.

Influencing the legislators

Over the coming year we will continue to campaign for change with policy makers. Our campaign for the mandatory publication of pay ratios will include research, media work, and activism, and in combination with our online petition, will create and maintain public-driven momentum for fairer pay and more responsible corporate governance.

A joint campaign with Just Fair calls for the commencement on the socio-economic duty contained within section 1 of the Equality Act 2010, working closely with its original architect Harriet Harman and seeking cross-party support.

Taking action locally

A number of our local groups are involved in ambitious plans to build local solutions to inequality. One example of this is the emerging People's Plan in Manchester, which has been actively supported by Equality North West (ENW), our affiliated local group in the region. Its aim is to build more egalitarian and policies in the region, as it seeks to influence the new Mayor once elected in May 2017.

Structure, Governance and Management

Governing Document

The organisation is constituted as a company limited by guarantee (Company No. 6084965) and was incorporated on 6th February 2007.

The company was granted charitable status on 6th May 2015 (Charity No. 1161545).

The company was established under a memorandum of association which established the objects and powers of the company and it is governed under its articles of association (as amended on becoming a charity).

The Board

The Board meets four times a year. During the course of the year the Board continued looking at financial management, risk assessment and staffing issues; as well as planning strategically to ensure The Equality Trust's work would meet the organisation's objects.

Trustee Expenses

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

Recruitment and appointment of Trustees

At the beginning of 2016, The Equality Trust had eight Trustees with a broad range of skills and expertise, including in the areas of charity operations, communications, management and academic research.

As set out in the Memorandum and Articles of Association, any person who is willing to become a Trustee, and who is not disqualified, can be appointed by the Board. Trustees contribute their services voluntarily.

In order to ensure fairness and transparency in recruitment, we advertise Trustee vacancies widely and invite applications from the general public. The selection of new Trustees is presided over by at least three relevant Trustees and staff, with at least one staff member involved in the process.

Induction and training of Trustees

New Trustees undergo an orientation day, to include meeting with the Director and all staff, as well as other Trustees as appropriate.

Trustees participate in training as required and attend Equality Trust events as appropriate.

Organisational Structure

Day-to-day responsibility for the actions of the charity rests with the Executive Director. The Executive Director is responsible for ensuring that the charity delivers against its objects and provides individual supervision of the staff team. The Executive Director also ensures that the team continues to develop their skills and working practices in line with good practice.

Risk Management

Staff and Trustees have conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated twice a year. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal financial control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to The Equality Trust.

Financial Review

Principle Funding Sources

Network for Social Change and the Tudor Trust continued as regular funders in 2016, although our current agreement with Network for Social Change ended in 2016, it was agreed the relationship will continue until funds committed to near-term operational expenditure are spent. We were able to attract a two-year core funding agreement with Bowland Charitable Trust, which will continue in 2017, and we will look to further diversify our funding streams in the coming year.

Reserves Policy

The Trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. Trustees are committed to generating sufficient reserves to support current organisational activities to meet the following requirements:

- Safeguarding the charity's service commitment in the event of delays in receipt of grants or other income.
- Providing a financial cushion against risk and future uncertainties.
- Resourcing the research and development of services and initiatives.

To this end, the Trustees have established a reserves policy that is reviewed annually to ensure that the appropriate levels of reserves are maintained. However, the Trustees are aware of the view that reserves should not be set too high, tying up funds which could and should be spent on charitable activities. In line with its duties, the organisation aims to hold unrestricted reserves, excluding those tied up in tangible fixed assets, amounting to six months' expenditure, or circa £140,000. This is to minimise any disruption, and to ensure the organisation's continued financial viability, should any unexpected delay to income (receipts) occur. Given timing differentials between income and expenditure, fluctuations in the total amounts of reserves are common.

The total unrestricted funds at year-end were £172, 207. This exceeds the organisation's reserves policy, and has been reviewed by Trustees. The excess is considered reasonable and reflects funds received that are committed to near term operational expenditure.

Transactions and Financial Position

The financial statements have been prepared implementing the 2015 Revision of the Statement of Recommended Practice for Accounting and Reporting by Charities issued by the Charity Commission for England and Wales (effective 1st January 2015) and in accordance with the Financial Reporting Standard 102 (effective January 2015). The Trustees consider the financial performance by the charity during the year to have been satisfactory.

The Statement of Financial Activities show total income for the year of £366,553 (2015: £263,457) and total expenditure £289,475 (2015: £276,606) making a net increase in funds of £77, 078 (2015: decrease of £13,150).

The total reserves at the year-end stand at £174,651 including restricted reserves of £2,444. (2015: £97,573 including £6,400 restricted.)

Related parties transactions

There were no related parties transactions in 2016

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.

The investment policy and objectives

The investment objective for short term reserves is to preserve the capital value with a minimum level of risk. All funds are to be invested in line with its charitable aims. The Trustees have opted not to adopt an exclusionary investment policy, but individual investments may be excluded if perceived to conflict with The Equality Trust's purpose.

Statement of Directors' and Trustees' Responsibilities

The Charities Act and the Companies Act 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: -

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 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 responsibility of the Independent Examiner in relation to the Trustees' report is limited to examining the report and ensuring that, on the face of the report, there are no inconsistencies with the figures disclosed in the financial statements.

Small company special provisions

This report of the Council of Management has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006. It was approved, and authorised for issue, by the Board of Trustees on 20 June 2017 and signed on its behalf by:



GS Baine
Chair

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF

The Equality Trust

I report on the financial statements of the charity for the year ended 31 December 2016, which comprise the following Statement of Financial Activities, Balance Sheet and supporting notes.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed. I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- examine the financial statements under Section 145 of the Charities Act;
- follow the procedures laid down in the General Directions given by the Charity Commissioners under Section 145(5)(b) of the Charities Act); and
- state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a "true and fair view" and the report is limited to those matters set out in the statement below.

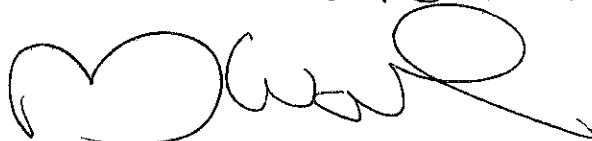
Independent examiner's statement

In connection with my examination, no matter has come to my attention to indicate:

- a) accounting records have not been kept in accordance with section 386 of the Companies Act 2006;
- b) the accounts do not accord with such records;
- c) that they fail to comply with the relevant accounting requirements under section 396 of the Companies Act 2006 or are not consistent with the Charities SORP (FRS102);
- d) any matter which the examiner believes should be drawn to the attention of the reader to gain a proper understanding of the financial statements.

Mary Wallbank DChA, FCA, FCIE
Charity Management Services
18 Park Road
Chandlers Ford
Eastleigh,
Hampshire,
SO53 2EU

Date: 22nd June 2017



The Equality Trust

STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure account) FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Unrestricted Funds	Restricted Funds	Total 2016	Unrestricted Funds	Restricted Funds	Total 2015
		£	£	£	£	£	£
Income							
Donations and grants	2	345,022	19,652	364,675	262,320	121	262,441
Charitable activity sales	3	1,134	-	1,134	523	-	523
Bank interest		745	-	745	493	-	493
Total Income		346,901	19,652	366,553	263,336	121	263,457
Expenditure							
Raising funds		3,889	-	3,889	1,702	-	1,702
Charitable Activities	4	261,978	23,609	285,586	246,475	18,425	264,900
Other	5	-	-	-	10,005	-	10,005
Total Expenditure		265,867	23,609	289,475	258,182	18,425	276,606
Net income/(expenditure)		81,034	(3,956)	77,078	5,154	(18,304)	(13,150)
Transfers between funds		-	-	-	-	-	-
Net movement in funds		81,034	(3,956)	77,078	5,154	(18,304)	(13,150)
Total funds brought forward		91,173	6,400	97,573	86,019	24,704	110,723
Total funds carried forward		172,207	2,444	174,651	91,173	6,400	97,573

There are no recognised gains and losses other than those passing through the income and expenditure account. All income and expenditure is in respect of the charitable company's continuing activities.

The Equality Trust

BALANCE SHEET AS AT 31 DECEMBER 2016

	Note	2016		2015	
		£	£	£	£
Current Assets					
Investments	8	100,515		49,771	
Debtors	9	11,651		8,285	
Bank and Cash		<u>78,687</u>		<u>194,134</u>	
		190,853		252,190	
Creditors: amounts due within one year					
Creditors	10	<u>(16,202)</u>		<u>(154,617)</u>	
Net Current Assets			174,651		97,573
Total Net Assets			<u><u>174,651</u></u>		<u><u>97,573</u></u>
Represented by:					
Restricted Funds	11		2,444		6,400
Unrestricted Funds			172,207		91,173
Total Funds			<u><u>174,651</u></u>		<u><u>97,573</u></u>

The company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit under section 476 of the Companies Act 2006.

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

These financial statements have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with the Financial Reporting Standard 102 SORP.

Approved by the trustees on 20 June 2017 and signed on their behalf:

Sean Baine Trustee

Name

SEAN BAINE

Company Registration Number: 06084965

The Equality Trust

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
INCOME				
2 Donations and grants				
	£	£	£	£
Grants (see below)	289,878	19,652	309,530	210,841
Donated services	9,449	-	9,449	9,698
General donations	45,696	-	45,696	41,902
	<u>345,022</u>	<u>19,652</u>	<u>364,675</u>	<u>262,441</u>
	£	£	£	£
Grants:				
Network for Social Change	187,878	12,267	200,145	143,841
Joseph Rowntree Charitable Trust	-	-	-	40,000
Tudor Trust	50,000	-	50,000	25,000
HT & LB Charitable Trust	2,000	-	2,000	2,000
Bowland Charitable Trust	50,000	-	50,000	-
Big Lottery Fund: Awards for All	-	7,386	7,386	-
	<u>289,878</u>	<u>19,652</u>	<u>309,530</u>	<u>210,841</u>
3 Charitable activity sales				
	£	£	£	£
Sales of literature etc.	1,134	-	1,134	523
	<u>1,134</u>	<u>-</u>	<u>1,134</u>	<u>523</u>
EXPENDITURE				
4 Charitable Activities				
	£	£	£	£
Project costs	16,046	17,056	33,102	33,651
Media and communications	7,768	2,083	9,851	15,706
Staff costs (see note 6)	203,427	-	203,427	196,070
Rent and service charges	24,276	-	24,276	12,728
Office costs	4,357	4,470	8,827	3,729
Other support costs	5,464	-	5,464	1,551
Governance	40	-	40	1,464
Independent examination	600	-	600	-
	<u>261,978</u>	<u>23,609</u>	<u>285,586</u>	<u>264,900</u>
5 Other expenditure				
	£	£	£	£
Charity registration	-	-	-	10,005
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,005</u>

The Equality Trust

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows.

a Basis of preparation

The accounts are prepared in accordance with the accounting regulations set out under the Charities Act 2011, and with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP2015), issued by the Charity Commission; with the Companies Act 2006 and the Financial Reporting Standard (FRS) 102.

The charity meets the definition of a public benefit entity as defined by FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated below.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

b Funds

Restricted funds are funds which must be used in accordance with specific restrictions imposed by the donor or the terms of a specific appeal. Expenditure which meets this criterion is drawn from the fund. Unrestricted funds are those funds which can be used for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees have, at their discretion, temporarily set aside resources for a specific purpose.

c Income

Income is included in the accounts once the charity has entitlement, the amount can be measured with sufficient reliability and there is the probability of receipt.

Earned income is included in the period in which the service is provided, if any performance conditions attached have been met or are fully within the control of the charity.

Donations are included when given, together with an estimate of the related gift aid due thereon.

Donated services are included in the accounts when received at the value of the gift to the charity provided the value of the gift can be measured reliably. The equivalent amount is recognised as an expense under the appropriate category. Legacies are included when the date of probate is ascertained and the amount receivable can be reliably estimated. Income which is subject to conditions that the charity has yet to fulfil, or which is specifically for use in a future accounting period, is treated as deferred income.

d Expenditure

Expenditure is included on an accruals basis when incurred, that is when a legal or constructive obligation arises, and includes related irrecoverable VAT. Future liabilities are included at the best estimate of the amount required to settle them. Future liabilities are included at the best estimate of the amount required to settle them.

e Pensions

The charity makes contributions to an employer defined contribution scheme for eligible employees, which are included in the accounts when they become payable, and allocated to the related staff activity costs.

f Change of accounting policy

These accounts have been prepared under FRS 102 for the first time. FRS 102 requires the recognition of liabilities in respect of accrued annual leave. The accruals required were:

	£
31 December 2014	920
31 December 2015	2,056
31 December 2016	4,209

The staff costs expenditure, accruals and funds brought forward have been adjusted accordingly for each year.

The Equality Trust

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
6 Staff Costs		
Salaries	176,992	170,715
Social security costs	13,172	13,721
Pension contributions	9,885	9,699
Other staff costs	3,378	1,934
	<u>203,427</u>	<u>196,070</u>

The charity had an average of 6 employees during the year, (2015 - 6.)

No employee received remuneration in excess of £60,000 p.a.

The charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the charity and independently administered. The employer's pension costs above represent the contributions due by the charity to the fund for the year.

7 Trustees' remuneration and expenses

The trustees received no remuneration from the charity for any services supplied, (2015: £nil).

In 2016 two trustees received expenses in respect of travel to board meetings and events amounting to a total of £805.

In 2015 three trustees received expenses in respect of travel to board meetings and events amounting to a total of £866.

8 Investments	£	£
UK bank deposit accounts	100,515	49,771
	<u>100,515</u>	<u>49,771</u>
9 Debtors	£	£
Accrued income	345	1,542
Prepayments	5,412	6,709
Other debtors	5,894	34
	<u>11,651</u>	<u>8,285</u>
10 Creditors	£	£
Deferred income	-	145,025
Taxation and social security	7,411	4,399
Accruals	4,459	4,300
Other creditors	4,332	893
	<u>16,202</u>	<u>154,617</u>

Deferred income represented monies specifically requested to cover expenditure planned for 2016 which was released in 2016.

The Equality Trust

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

11 Restricted funds	Note	Funds at 1 January £	Income £	Expenditure £	Funds at 31 December £
Website and IT upgrade	i	-	7,386	4,942	2,444
Educational materials	ii	6,400	-	6,400	-
40 x Club	iii	-	12,267	12,267	-
Total restricted funds		6,400	19,653	23,609	2,444

- i A grant was received from the Big Lottery Fund's Awards for All scheme to enable more effective support of local groups and to widen participation in the movement to tackle economic inequality by improving our online offer and upgrading ageing technology. The remaining balance will be spent in 2017.
- ii The Educational Materials fund is money received from York University/Economic & Social Research Council and was used for developing educational materials that communicate issues around economic inequality to young people.
- iii Network for Social Change provided a grant to enable the High Pay Centre to pursue work on formation of a virtual 'club' of FTSE100 companies in which the ratio of the top pay package to the average employee was no more than 40:1, highlighting this as best practice. The project demonstrated the paucity of companies in the FTSE100 meeting the criteria, providing further evidence of the need for our ongoing petition and campaign on mandatory pay ratio reporting in the private sector - aiming towards a culture of reduced pay ratios.

The Restricted funds are held as bank balances.

12 Operating lease commitments

The following operating lease payments are committed to be paid within one year:

	31 12 2016 £	31 12 2015 £
Rent of premises	2,420	17,858

13 Related Party Transactions

There were no related party transactions during 2016 or 2015.

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There are many ways you can help to support our work.

Donate to The Equality Trust through our website:

<https://www.equalitytrust.org.uk/support-us>

Affiliate to us: <https://www.equalitytrust.org.uk/affiliate-us>

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Or if you would like to offer support us in another way, such as through offering pro bono work please contact us at info@equalitytrust.org.uk

