

BLACK EQUITY ORGANISATION
(A Charitable Incorporated Organisation)
(Registered Charity No: 1195506)

REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD 12 AUGUST 2021 TO 31 MARCH 2022

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TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS
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LEGAL AND ADMINISTRATIVE INFORMATION

Black Equity Organisation (BEO)

Registered Company Number (England and Wales) CE026439

Registered Charity Number (England and Wales) 1195506

Registered Office

86-90 Paul Street, London EC2A 4NE

Board of Trustees

Dame Vivian Hunt DBE (Chair)	from 12 Aug 2021
David Lammy MP	from 12 Aug 2021
Karen Blackett OBE	from 12 Aug 2021
Kwame Kwei-Armah OBE	from 12 Aug 2021
Ric Lewis	from 12 Aug 2021
Mark Boisson, Treasurer	from 21 Oct 2021
Marcia Willis-Stewart KC (Hon)	from 21 Oct 2021
Yvonne Field	from 1 Nov 2021
Athian Akec	from 16 May 2022
Michelle Daley	from 16 May 2022
David Olusoga OBE	from 16 May 2022
Siobhan Aarons	from 20 May 2022

Chief Executive Officer

Jake Ferguson until April 2022

Interim Chief Executive Officers

Miranda Grell - Acting CEO March – April 2022. Interim CEO May - July 2022
Timi Okuwa from August 2022

Independent Auditor

Myrus Smith
Chartered Accountants and Statutory Auditor
8 Burnell Road
Sutton
Surrey SM1 4BW

Bankers

Unity Trust Bank Plc
Nine Brindley Place
Birmingham
B1 2HB

HSBC
1 Centenary Square
Birmingham
B1 1HQ

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The trustees present their report with the financial statements of the charity for the period 12 August 2021 to 31 March 2022. The trustees have adopted the provisions of 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 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is controlled by its governing document, a Charitable Incorporated Organisation (CIO) constitution and is registered as a body corporate under Part 11 of the Charities Act 2011. Trustees set the overall direction of the charity and agree staff pay, benefits and terms and conditions. Because the charity has been in start-up mode the board have been meeting on a monthly basis and frequently reviewing major risks. The trustees expect to move to quarterly board meetings from 2023.

How the Board of Trustees Were Selected

Dame Vivian Hunt (Chair), David Lammy MP, Karen Blackett, Ric Lewis, and Kwame Kwei-Armah were the founding board members of the Black Equity Organisation (BEO) who, in the wake of the brutal police murder of George Floyd, and global anti-racism protests, came together to begin the process of establishing BEO as a national, British, Black-led civil rights organisation focussed on Black people in the UK. The board are clear they want to achieve generational impact at scale, something that has never been done before.

There are currently 12 trustees in total. The constitution permits a maximum of 15 board members. Each trustee is appointed for a period of three years and may serve up to three terms. In accordance with BEO's governing document, additional trustees have been recruited to the board based on a skills gaps assessment, with the board prioritising the knowledge, skills and experience needed to deliver the mission of the organisation, together with the need to ensure that diverse lived experience and identities are represented on the board.

Staff Team

We engaged an experienced former charity CEO as our freelance Project Director to support the board to steer BEO to launch and into operation. We recruited a founding staff team which included the CEO, fundraising, communications, policy and support functions and have also used outsourced functions while we gradually grow the permanent staff team, carefully balancing organisational need against the funds available.

Charitable Objects

The objects of the CIO are specifically restricted to the promotion of racial harmony and equality and diversity, and the elimination of discrimination on the grounds of race, for the benefit of the public in such ways as the charity trustees think fit including by:

- a) raising awareness of racial discrimination and inequality by publications, lectures, use of the media, public advocacy and other means of communication;
- b) conducting or commissioning research into racial discrimination and racial inequality (including in relation to its causes, effects and prevention), as the charity trustees think fit, and by disseminating the useful results of the same;
- c) cultivating a sentiment of racial harmony and working towards the elimination of racial discrimination through the use of publications, codes of practice, schemes for employers, the media, and in such other ways as the charity trustees think fit;
- d) promoting equality of opportunity and good relations between different racial groups; and

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- e) promoting the sound development and administration of the law for the benefit of the public in the following ways:
- i. by promoting awareness and conducting research into the law, including current and proposed practice and administration and reform of the law, as the charity trustees think fit, and by disseminating the useful results of the same;
 - ii. by providing specialist legal advice in relation to the law and legal procedures, particularly where it is apprehended that a miscarriage of justice has taken place; and
 - iii. by providing specialist legal advice, assistance and representation to people who are unable to obtain such legal advice, assistance and representation as a result of their lack of resources.

Summary of Activities

BEO secured charitable status in August 2021. The charity's first year has been focussed on building the foundations needed to deliver the mission. In particular: fundraising, developing the charity's strategy and delivery model, establishing the founding team of trustees and staff and planning for our launch which took place in May 2022. Our initial work has been focussed on raising widespread awareness of BEO, starting early work around tackling systemic racist issues by building inclusive campaigns and communications, engaging with allies and grassroots organisations and also scoping out the planned strategic legal work and access to justice activities.

Public Benefit

Our trustees have paid due regard to the guidance on public benefit produced by the Charity Commission and are confident that the work of the charity meets all the criteria for public benefit.

We are satisfied that we undertake all of our work within our charitable objectives and the public benefit requirement as defined in Section 17 of the Charities Act 2011.

ACHIEVEMENTS AND PERFORMANCE

BEO is the national civil rights organisation for Black people in the UK. We exist to dismantle the systemic racism experienced by Black people.

Our **vision** is to realise the empowerment, self-determination and welfare of Black people in the UK, and to be a credible and effective catalyst for dismantling structural racism within British society.

Our **mission** is to promote economic, legal, social and political equity for Black communities in Britain to ensure equal opportunity for progress and prosperity. Our efforts will endorse and amplify Black talent, Black enterprise and Black greatness in Britain.

During BEO's first year, the charity was not in the public domain, so the board invested that time to put policies and procedures in place, recruit the core team, develop the strategy and do the data analysis to establish a strong foundational evidence base about the nature of systemic racism.

BEO launched in May 2022 with a core team, foundational funding and strategic partnerships. We are now building our team, growing our income as well as growing and diversifying our partners in order to deliver against our strategic objectives and priorities.

BEO is focussed on equity for all Black people in the UK – by that we mean people of African and Caribbean or mixed Black heritage. Our mission is focused on equity not equality because we don't just want equal treatment, we want fairness and justice for Black people.

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What is Systemic Racism?

Systemic racism is ultimately the laws, policies, practices and customs that exist throughout society or an organisation, which result in and support a continued unfair advantage to White people and unfair or harmful treatment of Black people and other minoritised groups, based on race. We need existing systems to work for everyone and in doing so need to ensure everyone has equity - which means everyone gets the justice and services they need.

Black Equity Organisation exists to dismantle the systemic racism experienced by Black people in the UK and to support the welfare, rights and prosperity of Black people. We are acutely aware of the harm and traumatic effect that systemic racism has on Black communities in the UK.

Driven by strong values, we are committed to the self determination of Black people. However, we live in a society where systemic racism holds Black people back and in turn holds society back. The intersectionality of other factors such as discrimination around gender, sexuality, disability and crucially, class create further disadvantage.

The evidence of systemic racism is overwhelming and damning - which means the time for action is now. Systemic racism wastes Black talent, creates division and has been shown in recent times, takes lives. If we tackle systemic racism together then our economy will be stronger and our communities will be more cohesive. We recognise that this will take time but it's crucial we unite the nation behind our mission and create alliances with our corporate, political and community allies to drive change.

We no longer want to see a world where the colour of your skin means:

- You are nine times more likely to be stopped and searched by the police if you are Black¹
- You are less likely to be in work², attract investment for your business³ or own your own home⁴ if you are Black
- You are less likely to access the right health & social care support if you are Black and Disabled⁵
- You are three times more likely to be excluded from school⁶ and at greater risk of being imprisoned if you are young and Black⁷
- You are more at risk of hate crime if you are Black and part of the LGBTQIA+ community⁸

¹ Police powers and procedures, England and Wales, Home Office, year ending 31 March 2020 second edition

<https://www.gov.uk/government/statistics/police-powers-and-procedures-england-and-wales-year-ending-31-march-2020>

² Unemployment by ethnic background, House of Commons Library Research Briefing Number 6385, Brigid Francis-Devine, February 2022 <https://commonslibrary.parliament.uk/research-briefings/sn06385/>

³ Extended Ventures 'Diversity Beyond Gender', Quantitative Research Report, November 2020, <https://www.extend.vc/reports>

⁴ Home Ownership, Ministry of Housing, Communities and Local Government February 2020 <https://www.ethnicity-facts-figures.service.gov.uk/housing/owning-and-renting/home-ownership/latest>

⁵ Improving support for Black Disabled People: lessons from community organisations, JRF, 2005 <https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/1859353916.pdf>

⁶ Systemic change required, Black Equity Organisation, 2022 <https://blackequityorg.com/black-voices-reports/>

⁷ Young People in Custody, Ministry of Justice, May 2020

<https://www.ethnicity-facts-figures.service.gov.uk/crime-justice-and-the-law/courts-sentencing-and-tribunals/young-people-in-custody/latest>

⁸ We Will be Heard Survey Report, Black Pride, November 2021

https://static1.squarespace.com/static/5c7687174d87112ad57fc819/t/6194f30dcea6433f35a14f77/1637151508280/WWBH_FINAL_2021_v2-compressed.pdf

⁸ We Will be Heard Survey Report, Black Pride, November 2021

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We need to maximise the positive contribution the Black population makes to British society, changing the narrative from one of deficit and disadvantage to one focused on the talent and potential within the Black Diaspora which we can unlock for everyone's benefit.

Collectively we need to transform the systems which have defined the global and UK economies and impacted the lives of Black people through practical, solution-focused action that is informed by the real-life experiences and trauma that racism inflicts on people. This means standing shoulder to shoulder with our allies across the world who are also focused on racial justice, not just in the UK.

We all have a role to play in dismantling systemic racism – whether that's businesses, government, not for profit organisations, the media as well as ourselves as individuals. No single person or organisation is to blame for systemic racism, but we should not be afraid to hold organisations and institutions to account that are failing on racial equity and to support and celebrate those who are willing to change. It's a huge challenge but one we can all unite around if we are serious about equity. Now is the time to create a positive future for all Black people in Britain and to accelerate change for the benefit of everyone.

BEO VALUES

We have identified core values which ground us and inform our approach to everything we do.

1. The fundamental importance of **EQUITY AND INCLUSION** – we want to create a society in which all individuals have equitable rights without discrimination based on race or any other identity characteristic.
2. The power of **EVIDENCE BASED ACTION** – we will use the power of data and evidence to help us decide where we should focus our energy and to establish solutions to address systemic change.
3. A legacy of **AMBITION** – our work will be done when the UK is an equitable place for all.
4. The responsibility of delivering **SUSTAINABLE IMPACT** - we will deliver our work in sustainable ways which has limited impact on the environment.
5. The mobilising effect of **PURPOSEFUL COLLABORATION** – we will work in allyship at all levels with others who share our ambitions – creating coalitions of the willing to build consensus and drive lasting change, centring the experiences of those affected by racism and promoting excellence.
6. The importance of **ACCOUNTABILITY** – we will work in service to the Black communities and the wider British public, ensuring we hold ourselves and others to account.

OUR STRATEGY

At BEO we have a bold, ambitious vision - to **achieve generational change and improve outcomes** for Black people in the UK. Our approach is driven by data analysis across six pillar areas of focus which are: Economic empowerment and equity of opportunity; Health, wellness and care; Education; Justice, immigration, and rights; Culture, awareness, representation, and respect; Neighbourhood and housing. We have carefully analysed the data within each of those pillar areas in order to determine what BEO should do to drive change. But fundamentally, we recognise that systemic nature of racism means that the barriers and disadvantages Black people experience within any given pillar area impact across multiple others.

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Clearly, BEO cannot immediately do everything which is in scope of its vision and mission. We need to make some clear choices about priorities and determine those priorities based on the impact we are seeking to achieve with the resources we currently have. There are different ways to measure impact and different types of impact which we could seek to achieve. **Therefore, we need to establish a framework to measure impact in multiple ways. The primary impact measures are:**

- **the numbers of Black people affected** – simply, how many people will benefit?
- **the impact on the lives of those who are most disadvantaged, adopting an intersectional approach** – overall numbers may be small but the change for them and the wider impact on society and the economy could be very significant
- **any financial cost/savings** – quantifying impact, particularly in terms of spend/saving/opportunity cost may be helpful for some interventions. This can be short or long-term
- **lasting impact on the problem itself by identifying those strategic points of intervention within any given pillar which will be critical for driving change across other pillar areas and therefore improving Black people's lives.** For this measure our analysis tells us that the change we are making in the short-term will achieve lasting impact even if measurable impact in the short term is negligible.

To join up our thinking, our pillar analysis is therefore underpinned by **three long-term strategic goals** which we are working towards:

1. **Improved health, life-expectancy and wellbeing**
2. **Higher household income and greater job security**
3. **Improved outcomes from the use of public services**

We will set out key measurable indicators for each of these goals drawn from data in each of BEO's pillars. These goals are underpinned by a **theory of change** which sets out what BEO will do to achieve the change we want to see and the longer-term objectives for BEO's activity. Fundamentally, we recognise that **systemic racism can only be dismantled if we work with and through others**. Those who control, influence and shape the organisations and systems in which racism is perpetuated are the ones who have to own and drive the change we need to see.

BEO's Work

BEO will: provide advice, information, training and representation.

BEO will: use data and evidence to hold those in power to account, use campaigns and the force of the law to drive change; adopt an approach informed by the historic and current trauma experienced by Black people; build greater awareness and understanding of what structural racism is.

BEO will: develop effective solutions to tackle structural racism and use our convening power to build partnerships and coalitions across BEO's pillars including taskforces as well as mobilise our supporters and allies.

Our Partners and Funders

At BEO we know we cannot achieve systemic change alone. That is why we are grateful to the diverse partnerships we have established. We would like to thank the teams at McKinsey and WPP, Allen and Overy, Clifford Chance, Freshfields, Herbert Smith Freehills, Slaughter and May and Ashurst who have all contributed expertise and funding to establish BEO. Our thanks also go to Sky who have funded BEO's inaugural programme to support Black entrepreneurs. We are also grateful to H&K, Landor and Fitch, Mindshare and Ogilvy for their support with communications and brand development.

We are also very grateful to the Open Society Foundation, Lankelly Chase and Indigo Trust for providing multi-year unrestricted funding from April 2022 onwards as this gives BEO the foundational funding it needs. These funds will be reported on in next year's annual report and financial statements.

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Additionally, we have formed a partnership with Black Impact, a social enterprise championing Black graduates across the UK with an annual national awards ceremony. BEO will sponsor internships for two of the successful nominations.

In October 2022 we confirmed a partnership with Mission 44, Sir Lewis Hamilton's charitable foundation, which has provided BEO with funding to develop our Education pillar. We will be partnering with Aspire Education to co-develop a research and engagement programme examining the barriers to education for Black children and young people in the UK. BEO is keen to develop a long-term partnership with Mission 44 which not only funds education programmes but will be a strategic partner as we develop our education work.

Stakeholder Day November 2021

At the Bernie Grant Centre in Tottenham in November 2021 BEO convened over 70 diverse stakeholders representing Black communities from across the Diaspora (including those from the disability, LGBTQIA+, religious and belief-led communities as well as being diverse in terms of social class, gender and age) and drawn from across the UK and the public, private and voluntary sectors. The purpose of the event was to consult Black people on BEO's vision, mission and strategy and to begin to test out with key audiences what BEO should do to dismantle systemic racism and to transform Black people's lives in the UK. There was a strong sense of solidarity in the room and a consensus that BEO was very much needed. It was an incredibly rich and productive event and a number of ideas that came up on the day have now been incorporated into BEO's work programme going forward. In addition to this event, there has been extensive and ongoing stakeholder engagement because BEO is committed to amplifying our allies in the Black community and race equity sector.

BEO Research

To inform our work BEO commissioned unique qualitative research, carried out by Clearview and quantitative research, which was conducted by Survation. We are committed to being a data-led and data-driven organisation which holds the powerful to account, centring the voices of Black people. The research shows the day-to-day lived reality of systemic racism experienced by Black people. We will continue to disseminate the findings and will use the research to inform our work.

- 65% of Black people said they had been discriminated against by healthcare professionals because of their ethnicity
- Over 60% said they had been passed over for promotion or employment due to their ethnicity
- 59% said they or someone close to them had experienced stop and search or wrongful arrest
- 42% said they or someone close to them had experienced stop and search more than once
- 50% of Black parents with children under 18 said their children do not see themselves represented in either the teaching workforce or curriculum materials uses

Future 100 Growth Fund

Ahead of launch, BEO secured £1million from Sky over three years to fund the Future 100 Growth programme for Black entrepreneurs plus a further £500k of unrestricted income.

BEO and Sky's new partnership is backing Black entrepreneurs to launch and grow their own businesses in the UK and aims to break down the significant barriers faced by Black British entrepreneurs when setting up and growing their businesses.

The Future 100 programme provides a 12-week programme of workshops focussing on sales and marketing, business planning, team development, tech development and pitch-deck development, securing investment and provides access to Sky's supply chains. It is also backed up by expert business advice, coaching and mentoring. It will be capped off by a demo day event for the entrepreneurs to pitch for up to £15,000 of funding.

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The programme will also create a vital and tight-knit cohort of Black British entrepreneurs, with valuable, regular opportunities to network and share experiences, successes and challenges. We are in the process of taking our first cohort of successful businesses through the programme and will be carrying out an evaluation. Our aim is to create a model we can replicate with other corporate partners, transforming and diversifying their supply chains and supporting Black businesses to access supply chains and significant revenue streams.

BEO's Launch

BEO successfully launched in May 2022 with a national PR, digital and social media campaign. The launch event took place at a secondary school in Kennington, South London. It was attended by trustees, local charities and media organisations.

This was then followed up by a series of in-person and online events. The launch achieved 210 pieces of media coverage across a diverse range of mainstream media from The Guardian to the Daily Mail, with a reach of 1.8 billion. We would particularly like to thank WPP for their support as a WPP Race Equity Fund grant made a critical contribution towards the costs of promotional materials, event costs and staff and outsourced staff functions to deliver the launch and ensured it was a huge success.

With £30k of Group M twitter activity and the valuable support of WPP and Mindshare, we achieved 8,920,603 impressions with a reach of 1,590,890 through paid for social media support.

FINANCIAL REVIEW

BEO completed its charity registration in August 2021 but did not secure a bank account until several months later. For this reason, we established the Black Equity Fund hosted by Prism the Gift Fund (registered charity no 1099682) to which donors could make donations to support the work of BEO. Funds held by Prism are reported on in their financial statements, therefore BEO's annual report and accounts only includes those funds which have been received as income by BEO, including those funds which have been transferred from Prism to BEO. Moving forwards, it is the trustees' intention for all the funds held by Prism to be transferred to BEO accounts. These funds will then be reported on in future annual reports and accounts in the usual way.

The financial statements show that for the period ending 31st March 2022, BEO had total income of £579,183 of which £60,000 was restricted income. The statements also show that during the period the charity incurred £444,394 of expenditure which breaks down as £402,248 of unrestricted expenditure and £42,146 of restricted expenditure, giving positive unrestricted balance of £116,935 and a restricted balance of £17,854. Much of the charity's expenditure in its start-up phase has necessarily been incurred in support and fundraising costs. We expect the amount spent on these functions in future years to fall as a proportion of total expenditure.

Reserves Policy

The board's reserves policy is that a sum with an equivalent value of between 3-6 months of expenditure should be held in unrestricted reserves. The accounts reported here show that in our first year we hold total reserves of £134,789 which includes unrestricted reserves of £116,935 which is equivalent to 26% of expenditure. But note, the funds held by Prism the Gift Fund Black Equity Fund will mean that the reserves position significantly improves once those funds are transferred to BEO.

Investment Policy

BEO does not yet have an investment policy but the Board will be putting a policy in place ahead of making any investment.

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Fundraising

BEO is registered with the Fundraising Regulator and abides by the Code of Fundraising Practice. In our first year, the fundraising team has been prioritising securing multi-year unrestricted grants in order to ensure financial stability for the charity in the years ahead. Some of our start-up funding has come from Black philanthropists and corporate partners. The board's fundraising strategy is to grow and diversify income sources, and in turn grow the charity in a sustainable way.

In addition to the individual donations, the charity received a wide range of discounted and donated services in its start-up phase. These services have not been valued, because in the view of the Trustees their value to BEO in meeting our charitable objectives at this early stage of our development has been immeasurable in the context in which they were given and used.

Risk Management and Mitigations

During BEO's first year the board has been meeting frequently (at least monthly), regularly reviewing risks and mitigations particularly in terms of the finances, team and people management, reputational risks and communications and messaging. The board will continue to closely manage risks in the early months and years of the charity as its funding and operating model becomes established.

TRUSTEES' RESPONSIBILITY STATEMENT

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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The trustees are 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 Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 25 November 2022 and signed on its behalf by:



Dame Vivian Hunt DBE
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

BLACK EQUITY ORGANISATION

Opinion

We have audited the financial statements of Black Equity Organisation (the 'charity') for the period 12 August 2021 to 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance about actual and potential litigation or claims and the identification of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

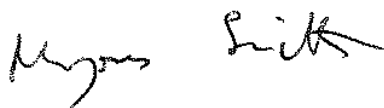
BLACK EQUITY ORGANISATION

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Myrus Smith
Chartered Accountants and Statutory Auditors
Norman House
8 Burnell Road
Sutton
Surrey, SM1 4BW

25 November 2022

Myrus Smith is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

BLACK EQUITY ORGANISATION
(Registered Charity No: 1195506)

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 12 AUGUST 2021 TO 31 MARCH 2022**

	Notes	Unrestricted general funds £	Restricted funds £	Total Funds 2022 £
Income from:				
Donations	2	519,183	-	519,183
Charitable activities	3	-	60,000	60,000
Total		<u>519,183</u>	<u>60,000</u>	<u>579,183</u>
Expenditure on:				
Raising funds	4	165,862	8,605	174,467
Charitable activities	5	236,386	33,541	269,927
Total		<u>402,248</u>	<u>42,146</u>	<u>444,394</u>
Net income/(expenditure)	13	116,935	17,854	134,789
Total Funds brought forward		-	-	-
Total Funds carried forward	13	<u>£116,935</u>	<u>£17,854</u>	<u>£134,789</u>

All income and expenditure is derived from continuing activities.

The Statement of Financial Activities includes all recognised gains and losses.

The notes form part of these financial statements.

BLACK EQUITY ORGANISATION
(Registered Charity No: 1195506)

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	£	2022	£
CURRENT ASSETS				
Debtors	10	3,440		
Cash at bank and in hand		178,823		
		<hr/>		
		182,263		
CREDITORS: amounts falling due within one year	11	47,474		
		<hr/>		
NET CURRENT ASSETS				134,789
				<hr/>
NET ASSETS	12			£134,789
				<hr/> <hr/>
FUNDS:				
Unrestricted - General	13			116,935
Restricted	13			17,854
				<hr/>
				£134,789
				<hr/> <hr/>

The financial statements were approved and authorised for issue by the Board on 25 November 2022.

Signed on behalf of the Trustees



Dame Vivian Hunt DBE
Chair of Trustees

The notes form part of these financial statements.

BLACK EQUITY ORGANISATION
(Registered Charity No: 1195506)

CASH FLOW STATEMENT

FOR THE PERIOD 12 AUGUST 2021 TO 31 MARCH 2022

	2022 £
Cash flows from operating activities	
Net movement in funds per statement of financial activities	134,789
Adjustments for:	
(Increase)/decrease in debtors	(3,440)
Increase /(decrease) in creditors	47,474
	<hr/>
Change in cash and cash equivalents in the year	£178,823 <hr/> <hr/>
Analysis of cash and cash equivalents	2022
Cash at bank and in hand	£178,823 <hr/> <hr/>

The notes form part of these financial statements

BLACK EQUITY ORGANISATION
(Registered Charity No: 1195506)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 12 AUGUST 2021 TO 31 MARCH 2022

1. Accounting policies

General information and basis of accounting

Black Equity Organisation (BEO) is a Charitable Incorporated Organisation (no. 1195506).

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis and under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income recognition

Items of income are recognised in the financial statements when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount can be measured reliably.

Costs of raising funds comprises the costs associated with attracting voluntary income.

Expenditure on charitable activities comprises those costs incurred in the delivery of the charity's activities and services for its beneficiaries.

Expenditure is allocated to each activity where the costs relate directly to that activity. Support costs, including governance costs, that do not relate directly to any activity are apportioned on the basis of staff time.

Fund accounting

Unrestricted general funds are those funds which are freely available for use in furtherance of the objects of the charity.

Designated funds are unrestricted funds set aside by the trustees for particular purposes.

Restricted funds are those funds which can only be used in accordance with the wishes of the donor or which have been raised for a particular purpose.

BLACK EQUITY ORGANISATION
(Registered Charity No: 1195506)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 12 AUGUST 2021 TO 31 MARCH 2022
/contd...

1. Accounting policies/contd...

Tangible fixed assets

Tangible assets costing more than £500 are capitalised.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairments are recognised in expenditure.

Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs

The charity operates a defined contribution pension scheme. Contributions payable under the scheme are charged the Statement of Financial Activities in the year to which they relate.

2. Donations

	Unrestricted general funds	Restricted funds	Total 2022
Donations	£519,183	£Nil	£519,183

3. Income from charitable activities

	Unrestricted general funds	Restricted funds	Total 2022
Grants	£Nil	£60,000	£60,000

4. Cost of raising funds

	Direct costs	Direct staff costs	Support costs Note 6	Total 2022
Fundraising activities	£21,676	£55,804	£96,987	£174,467

BLACK EQUITY ORGANISATION
(Registered Charity No: 1195506)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 12 AUGUST 2021 TO 31 MARCH 2022
/contd...

5. Cost of charitable activities	Grant funding of activities	Direct staff costs	Support costs	Total 2022
	£	£	£	£
Raising awareness	21,680	27,214	47,298	96,192
Conducting research	9,225	16,974	29,501	55,700
Promoting racial harmony	9,747	17,978	31,245	58,970
Promoting equal opportunities and good relations	9,842	17,978	31,245	59,065
	<u>£50,494</u>	<u>£80,144</u>	<u>£139,289</u>	<u>£269,927</u>

6. Analysis of support costs	Fundraising	Raising awareness	Conducting Research	Promoting Racial Harmony	Promoting equal Opportunities and good relations	Total 2022
	£	£	£	£	£	£
Governance	3,621	1,765	1,101	1,166	1,166	8,819
Staff costs	64,838	31,620	19,722	20,888	20,888	157,956
Other staff costs	14,724	7,180	4,478	4,743	4,743	35,868
Finance	8,572	4,181	2,608	2,762	2,762	20,885
Information technology	602	294	183	194	194	1,467
Human resources	38	19	12	13	13	95
Office costs (incl. rental)	486	237	148	156	156	1,183
Professional fees	3,173	1,548	966	1,023	1,023	7,733
Other	933	454	283	300	300	2,270
	<u>£96,987</u>	<u>£47,298</u>	<u>£29,501</u>	<u>£31,245</u>	<u>£31,245</u>	<u>£236,276</u>

7. Governance costs	Total 2022 £
AGM and board meetings	119
Audit fee	3,900
Professional fees	4,800
	<u>£8,819</u>

BLACK EQUITY ORGANISATION
(Registered Charity No: 1195506)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 12 AUGUST 2021 TO 31 MARCH 2022
/contd...

8. Net income/(expenditure)	2022
This is stated after charging:	
Auditor's remuneration	£3,900
	<u>£3,900</u>
9. Staff costs	2022
	£
Salaries and wages	155,960
Social security costs	10,754
Employer's contribution to defined contribution pension schemes	5,102
Staff recruitment and training costs	119,661
Other staff costs	38,294
	<u>£329,771</u>

No employee received total employee benefits (excluding employer's national insurance contributions and employer's pension costs) of £60,000 per annum or more.

The total employee benefits received by Key Management Personnel amounted to £60,850. Under FRS 102, employee benefits includes gross salary, benefits in kind, employer's national insurance and employer's pension costs.

Staff Numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:	2022
	Number
Fundraising	1
Charitable activities	2
Support	1
	<u>4</u>

The charity trustees were not paid or received any other benefits from employment with the charity in the period. No charity trustee received payment for professional or other services supplied to the charity.

No trustees received any reimbursements during the year.

BLACK EQUITY ORGANISATION
(Registered Charity No: 1195506)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 12 AUGUST 2021 TO 31 MARCH 2022
/contd...

10. Debtors					2022 £
Prepayments					£3,440
					<u>£3,440</u>
11. Creditors: Amounts falling due within one year					2022 £
Trade creditors					17,145
Accruals					30,329
					<u>£47,474</u>
12. Analysis of Net Assets between funds					
2022			Unrestricted Funds £	Restricted Funds £	Total Funds £
Current assets			164,409	17,854	182,263
Current liabilities			(47,474)	-	(47,474)
			<u>£116,935</u>	<u>£17,854</u>	<u>£134,789</u>
Net assets at 31 March 2022					
13. Movement in Funds					
	Balance at 12 August 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Unrestricted Funds:					
General	£Nil	£519,183	£402,248	£Nil	£116,935
	<u>£Nil</u>	<u>£519,183</u>	<u>£402,248</u>	<u>£Nil</u>	<u>£116,935</u>
	Balance at 12 August 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Restricted Funds					
General	£Nil	£60,000	£42,146	£Nil	£17,854
	<u>£Nil</u>	<u>£60,000</u>	<u>£42,146</u>	<u>£Nil</u>	<u>£17,854</u>

Sky is funding BEO's Future 100 growth programme to support Black entrepreneurs to launch and grow their own businesses.

WPP's Race Equity Fund is funding promotional materials, event costs and staff and outsourced staff functions to launch BEO.

14. Contingent Assets

The total amount of grant and other funding due to the charity but not yet recognised as income at 31 March 2022 was £1,786,813, of which £995,000 is restricted funding from Sky and will be drawn down to fund the Future 100 growth programme until 2025 and £68,000 is restricted funding from WPP to support costs associated with BEO's launch. The remainder is unrestricted funding which is mostly earmarked to fund BEO's management costs and planned growth over the next two years.