

COMPANY REGISTRATION NUMBER: 1056472

CHARITY REGISTRATION NUMBER: 501859

**The Black-E
Company Limited by Guarantee
Unaudited Financial Statements
5 April 2023**

The Black-E

Company Limited by Guarantee

Financial Statements

Year ended 5 April 2023

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Trustees' Annual Report (Incorporating the Director's Report)

Year ended 5 April 2023

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 5 April 2023.

Reference and administrative details

Registered charity name	The Black-E
Charity registration number	501859
Company registration number	1056472
Principal office and registered office	1 Great George Street Liverpool L1 5EW

The trustees

Ms S Eyo	(Resigned 19 October 2023)
Ms C Malcolm	
Mr S Knox	(Resigned 31 October 2022)
Mrs T Afful	(Appointed 22 January 2023)
Mr C Allen	(Resigned 13 May 2023)
Ms A Ankrah	(Appointed 1 November 2022)
Mr T Burke	(Resigned 31 October 2022)
Ms J Green	
Mr B Harpe	(Resigned 20 July 2023)
Mrs W Harpe	
Mrs B Benjamin	(Appointed 31 October 2022)
Mr J Cullen	(Resigned 22 January 2023)
Ms J Khalli	
Mr I Freeman	(Appointed 22 January 2023)
Mr R Pritchard	(Appointed 22 January 2023)

Archive Sub-Committee Members

The persons who have acted as Archive Sub-committee members during the year are:

Chairperson	Ian Freeman
Deputy Chairperson	Ms. Wendy Harpe

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 5 April 2023

The Trustees, who are also Directors of the charity for the purposes of Company Law, present their Annual Report and the Financial Statements for the year ended 5th April 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's memorandum and articles of association, the Companies Act 2006' 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)"

The information contained in this Annual Report is both complemented and augmented by information available on the website, www.theblack-e.org.

The Charity

Great Georges Community Cultural Project, now operating as The Black-E, is a charitable company limited by guarantee and with no share capital. The Company is registered in England and Wales, No. 01056472. The principal governing document is the company Memorandum and Articles of Association. The charity is registered with the Charity Commission No. 501859. The principal address and registered office of the Company is:

The Black-E
1 Great George Street
Liverpool
L1 5EW

The day-to-day management of the charity is vested in The Director of Cultural Operations with support from Arts Development Manager for Children and Young People, associate development staff and the Associate Cultural Directors, who develop and deliver activity and meet through an all-team meeting.

Over the year professional support on bookkeeping, financial management and governance was provided by Seelan and from August 2022 onwards by Mr David Wareing.

Independent examiner

Richard Brown FCA FCCA
Hanover Buildings
11-13 Hanover Street
Liverpool
L1 3DN

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 5 April 2023

Structure, governance and management

Method of appointment of trustees

The Trustees are "the keepers of the vision". Experts overseeing Trustees should be on Tap and not on Top as Trustees. The Trustees aim to ensure that they are reflective of the local community (50% of Trustees have a connection with Liverpool) and in terms of gender, race, disability and class - and that they possess collectively the arts, cultural and community experience and the expertise to exercise their responsibilities and to provide the Black-E with "affection, protection, and direction." Trustees are recruited through both advertising, as well as person to person contact, networking and contact with the cultural and CYP programmes. The Trustees bring to their responsibilities a combination of experience, skills and qualifications in the following areas: architecture and planning; building construction; financial control, accountancy and bookkeeping; fundraising; law; voluntary sector management; arts administration and management; cultural policy; environmental issues; event promotion, production, and direction; exhibition curation; marketing; leisure services management; local government; security; equal opportunities; cultural diversity; youth work; education and training; arts and disability; arts therapy; information technology; film & media; literature; drama; music; dance; fashion; visual arts and crafts; games; sport and recreation.

Induction and training trustees

New Trustees are inducted through meetings and through documentation. Quarterly Trustees meetings begin with a morning training session in a specific area of responsibility (e.g., Charity Law, the Disability Discrimination Act, equal opportunities, safeguarding, audited accounts, etc.) The Trustees are responsible "for steering the ship". This means that the Trustees take decisions to ensure that there is a balance between resources available for the capital programme and for the cultural programme, that there is a balance between the cultural programme and hires, and that there is a balance within the cultural programme between 'performing' and 'making' arts, and between youth arts and the programme'. Management accounts, audited accounts, and revisions of business plans are received, considered, and determined by the Trustees. Ad-hoc Building Sub Committee, Audit Sub Committee, Archive Sub Committee and Personnel Sub Committee are from time to time given delegated powers in relation to their respective areas, and report back to Trustees meetings. Staff take decisions of detail within parameters set by the Trustees, e.g., the detail of the Gallery or Cultural Programme and key policies including Financial Standing Orders, It takes a Village.... Safeguarding Policy.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 5 April 2023

Objectives and activities

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The objects for which the charity is established are:

- a) To advance the education of the public in and by means of all the arts including performing arts, visual arts, applied arts and experimental work in the arts and by improving standards of execution and appreciation of the arts.
- b) To provide or assist in the provision of facilities for recreation or other leisure-time occupation in the interests of social welfare for members of the public at large and for persons who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social or economic circumstances, with the object of improving conditions of life for the persons for whom the facilities are intended.
- c) To establish and maintain Community Centre for the benefit of the inhabitants of the Merseyside Area and to promote all or any objects for the benefit of the said inhabitants which now are or hereafter may be deemed by law to be charitable.

The creation of contexts (both social and environmental) which encourage an improved and meaningful relationship between artists and communities for the creation's presentation and promotion of contemporary work of high quality and originality. This means that the Black-E is committed to:

- a) access - both providing access and improving access to the artist and for the artist, and for those individuals and groups already involved in the arts as well as for those with no previous involvement with the arts - for example by the provision of workshops both as part of the ongoing programme and in conjunction with residencies, performances; by establishing an on-going dialogue between artists and their audiences through repeated visits and work, and by running seminars, residencies, etc. which enable artists to meet and work together.
- b) positive action - in relation to artists who are discriminated against - and in relation to communities and individuals who are discriminated against or disadvantaged - to provide opportunities for such artist communities, and individuals to give expression to their experience, their needs, and their aspirations, and to celebrate their achievements and rediscover their history.
- c) education (learning and unlearning) and training - both by and for artists - and both by and for communities and individuals- with a view to improving performance, understanding, and communication. The creation of opportunities and contexts which enable people to actively participate in creative activities a participation based in "doing" as well as "viewing" - in order, amongst other aims, to further democratise the arts.

Indeed, since democracy rests on the creation of a common language, and since the arts remain among the most restricted of languages, such involvement aims to promote democratisation not only through a shared understanding of these languages but also through growth and development in the languages themselves.

This means the Black-E is committed to:

- a) the creation and exploration of forms in which "audience" participation is fundamental.
-

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 5 April 2023

b) experiment to make a contribution to the research and development which is essential if new forms and techniques are to emerge to give expression to the worlds of today and tomorrow.

The recognition and valuing of cultural diversity. This means the Black-E is committed to:

a) promoting work which reflects the experience and concerns of those groups within our society whose voices have been marginalised, 'anthropologised' or ignored.

b) programming across the spectrum of creative activities - the fine arts, the popular arts, the performing arts, the making arts, creative and co-operative games, contemporary media, and traditional crafts - to promote and develop harmony rather than hierarchy between forms, and additionally to promote and develop cross-fertilisation and positive interaction between forms.

c) a perspective of the arts which is local, regional, national, and international - to stimulate and develop a sense of cultural and geographical inter-relatedness and variety.

From all the above, in committing itself to exploring and recreating the relationship between contemporary society and the contemporary artist and between contemporary society and creative activities and opportunities, the Black-E is committing itself to a two-in-one duality - to the development of communities and to the development of artists.

In terms of communities, then such a commitment is based on a recognition of the role of the arts in community development: every community issue is also an issue to be explored through the arts. In terms of artists, then such a commitment is based on the complementary recognition that - only given the opportunity - everyone is an artist.

And if all the earlier text had to be summed up in seven words?

Our continuing objectives for the year 2022-23 were: -

To continue to produce and promote the Arts of Survival combined arts cultural programme, embracing the Gallery, Archive, publications, drama, and especially Kinetic Theatre Programme (dance, circus, physical theatre), in conjunction with hires to and 'sharings' with commercial and cultural organisations. All underpinned by a commitment to cultivating cultural diversity and delivering inclusion and equity.

To prioritise work for young people in the Youth Arts Programme and Cultural Programme - Black-E managed to do 14 Play Scheme sessions during the limited opening time. To bring our ongoing support on Hip-Hop into Black-E to train and conduct workshops and deliver a film project. Whilst we have made a start through holding meetings with young people interested in progressing this. It does however remain work that we are committed to.

To strengthen the Trustee Board with active local members, who reflect the diversity of our intent to support greater participation of Black and ethnic minority peoples, in the cultural pipeline. Fortnightly staff planning and action meetings to support detailed planning and organisational work to produce the overall cultural programme in line with strategies and objectives determined by the Trustees.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 5 April 2023

Achievements and performance

Trustee Review of Activities and Future Developments

In December 2022, I took over as the Chair of the Charity, during a period that marked a significant moment in our shared history. As a charity born in the devastating flu pandemic of 1968, we have now worked again with our community to re-new our ambition and plans in the aftermath of the devastating COVID19 global pandemic. This year has centred on helping us transition to our Trustees for Life and founders Bill & Wendy Harpe, after over fifty years becoming Patrons. Bill, as a dancer, choreographer and Wendy, as a maker and facilitator of community involving work cannot be replaced. Indeed, the Charity has remained resilient and succeeded where others have long since gone because of how the Trust board was set up. Bill Harpe for most of his career combined two distinct roles, being an unpaid-trustee: with being a very poorly paid Artistic Director - often surrendering his salary to projects like supporting the training of local emergent artists. As a community based, artist led charity - Bill and Wendy were pioneers on volunteerism, social action and building social movements - and they placed these ideas and their methodology at the heart of the charity. It is a heavy burden as the current Chair of Trustees to try and emulate these values and ideas - but it must be done.

It has also been a year of the trustees working to retain and grow our regular funding base and we thank the Arts Council Relationship Team for their wise counsel, constructive feedback and support in this difficult year. With the help of the trustees, our local Liverpool community and partners pulling together we retained and nearly doubled our ACE funding. However, we have a long way to go in keeping up with cost increases and replacing other funding that we were unable to retain. In May 2022, we we kicked off a three-year programme of work thematically centred around health, wellbeing and a bold desire to see our local and global communities that we connect with flourish.

Fittingly in May 2022 we welcomed SuAndi OBE of our Northwest partner, the National Black Arts Alliance, to help us mark (through new spoken word) the legacy of one of our other the founders, the late Sally Morris. Together with James MacRitchie's unwavering dedication on helping bring together the selected writings on dance by Bill Harpe. The publishing of this important text was made possible with the kind support of the designer: Victoria Adenugba, Jacqueline McKenzie and the National Black Artist Alliance (NBAA).

This cultural partnership with NBAA would also enable our Associate Cultural Director , Dr Rebecca Amissah MD to kick-start the development of the first work of three-new full-scale works in a community involving People's Opera & Dance Cycle. This first new work Mary Seacole to Joan Stober A People's Opera and Dance is allowing us to use our beautiful multi-space building and work with community to create site specific and immersive work. This first work in the cycle enabled us, through community workshops in drumming, gospel music, dance & movement, circus and the visual & textile arts to explore the lives of two great Black women. This new work also created a means to share with a wider audience the well-known story of Mary Seacole from her own words: 'The Wonderful Adventures of Mary Seacole in Many Lands'. This formed the basis of brilliant children and young people centred work designed and led by our Development Manager and film artist Rachael Statham. Together with the lesser known, but courageous and inspiring life of the late Joan Stober (nee Morten) a former Liverpool resident. Joan was one of the first Black British born nurses at the start of the NHS in July 1948, in the 1980's she was a race equality campaigner and civil rights activists, who during her time in the USA, was a friend to Martin Luther King jnr.

Over the year we staged and hosted may events across our 500-capacity main space, studio, seminar rooms, and particularly in the intimacy of our 150-seater Chamber Theatre and our café & gallery space. We are particularly proud to have worked with IRIE! Dance Theatre, Kauma Arts and One Dance UK in securing an exhibition that captures a history of Black British Dance. As a promoter of participatory

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 5 April 2023

work, much of the work we undertake is not visible as part our events programme. It is in our small and intimate spaces, where we deliver workshops for children, young people and adults that we see experimentation, collaboration and creative synergy that yields new ideas, fosters new partnership and drives creative ambition.

It was a commitment to creative ambition, that powered the Trustees decision to re-start our Annual Black Dance Forum. As the Chair, it was a great privilege to be able to work with Bill Harpe, Dr Rebecca Amissah and others in re-starting our annual forum for Black Dance. Providing an opportunity for world class discussion, with dance leaders, practitioners and facilitators. Together with dancers and dance makers sharing their practice. We were excited to manage the selection and commission of new dance work, with a focus on participation from three great makers: Michael Joseph MA - who was asked to create an intergenerational dance work. The Scottish based dance maker, Chinyanta Kabaso who created a work with and for young people from our local community here in Liverpool. The local and emergent group of dancers working with Liverpool based Joao Landim, who was commissioned to use film and workshops with young people to create a new work.

Creative learning for children and young people, within a professional community arts space remains central to our vision. Over the Summer of 2022, we collaborated with the Big Condo on a new video, involving 12 young people, building skills in film, digital and cultural confidence to tell their story through music and film. We also supported our year-long Eat Your heArt Out Festival with over 100 children and young people. Providing a year of holiday arts, circus skills and play led by practicing artists, making a space to create new work. With funding from Merseyside Play Action Council (MPAC) and the government Holiday Activity and Food programme and private donations, it was possible to make this free for all CYP and provide a hot meal, snacks, fresh fruit and a food hamper for families experiencing need. Liverpool is a city with a proud history, people who work hard - but it is also a city with significant inequality and economic deprivation. For over fifty years the Black-E's ethos has been about feeding the body and soul -arts and food go hand in hand.

Over the year we were able to invest in our new Binaural Sounds Studio, and the fourth floor Cultural Hub, creating better spaces for cultural partners like Company of Friends. Company of Friends' work continues to celebrate the talent and perspectives of performing artists with lived experience of learning disability. Bringing innovation and fresh insights to classic texts including Shakespeare's Tempest, and others. We are proud to work with partners who are fostering innovation and enabling artists to deliver quality for all our community.

We have reaffirmed our commitment to continuing a distinctive participatory arts programme -that is fuelled by a community arts model of delivering risk and quality in equal measure. Of broadening our audience reach and cultivating a cultural pipeline that speaks with and to the experience of those often excluded from the arts & cultural industries: Black and ethnic minority people, women, Disabled people and our diverse working-class community here in Liverpool. The trustees of the Black-E are committed to being the change to ensure that we create spaces and opportunities for new work and voices to flourish.

The Trustees acknowledge that the impossible of 2022 -2023 would not have been possible, without - all our staff, sessional artists, sessional workers, volunteers and interns across who all continue to work hard. Thank you to all for putting people at the centre of delivering the great experiences that make the Black-E the national centre for participatory arts!

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Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 5 April 2023

Financial review

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements. The principal funding sources are detailed under note 4 to the accounts, Income from charitable activities.

Risk and Reserves

The major risks to which the charity is exposed as identified by the Trustees have been reviewed and systems have been established to mitigate these risks, including regular periodic reviews of income and expenditure and cash flow and the revision of commitments and expenditure in relation to income. The Trustees also have a Corporate Risk Register, which is kept under ongoing review and jointly updated with senior staff.

The Trustees take the view that if the Charity was to suffer a loss of major loss of funding, it would need to keep reserves of £10,000. In addition, if the Charity was to suffer a significant loss of funding, it would use the £100,000 currently held by Barclays Bank for other purposes to wind down the charity. The Trustees have no plans to wind down the charity. With regards to the cultural programme, the major risks are linked to funding availability. Core funding risks are mitigated by the fact that The Black-E holds funding agreements with both Arts Council England as a National Portfolio client. In addition, as a national centre for participatory arts, the Trustees can mitigate risk by:

1. Reliance on growing volunteers, working with paid artists -reducing revenue costs.
2. Using high value film & TV, sports and commercial hires, that generates income to cross subsidise our cultural programme.

On the basis of a fundraising strategy approved by the Trustees, The Black-E continues to make applications and submissions for funding of the cultural programme to charitable trusts, local and national government departments, and other bodies.

The future finances of The Black-E (as analysed in the current Business Plan) are dependent on a balance of income from (a) grants, and (b) rental from hires. Rental from hires of the completed building will not 'leap' to an optimal level following relaunch but is predicted to grow over a 5-year period.

1. the Millennium Commission required and has taken a 1st fixed 80-year charge over The Black-E building and land together with a floating charge over all assets, and
2. the Arts Council has required and taken a second fixed 20-year charge over the Black-E building and land.

Fixed Assets

In the year ended 5 April 2012, the Trustees agreed that the Report and Accounts as produced be adopted and approved, and that a capital asset of £200,000, being the Trustees' own valuation of the current value in use of the Great George Street building, be revalued accordingly.

The Trustees again discussed the independent valuation of the building: 1 Great George Street and concluded there was no cost benefit, or any material benefit to the charity. This decision was taken because the cost of a valuation would be in the region of £16k. The building has both fixed and floating charges on the property register linked to grants received from the Arts Council of England and other lottery funders. Further the property has a fixed use, a restriction which means that it can only be used as cultural facility and change of use would be required. These factors greatly reduce the value of the building and taking account of this the Trustees unanimously continue to see no

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 5 April 2023

benefit in an independent valuation.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 21/12/23 and signed on behalf of the board of trustees by:

Ms A Ankrah
Trustee

The Black-E

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of The Black-E

Year ended 5 April 2023

I report to the trustees on my examination of the financial statements of The Black-E ('the charity') for the year ended 5 April 2023.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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Independent Examiner's Report to the Trustees of The Black-E *(continued)*

Year ended 5 April 2023

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Richard Brown FCA FCCA
Independent Examiner

Hanover Buildings
11-13 Hanover Street
Liverpool
L1 3DN

21/12/23

The Black-E

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 5 April 2023

		2023		2022	
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	2,790	222,683	225,473	216,248
Charitable activities	6	8,245	–	8,245	3,776
Other trading activities	7	105,277	–	105,277	60,836
Investment income	8	287	–	287	197
Total income		<u>116,599</u>	<u>222,683</u>	<u>339,282</u>	<u>281,057</u>
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	9	<u>134,331</u>	<u>193,460</u>	<u>327,791</u>	<u>340,743</u>
Total expenditure		<u>134,331</u>	<u>193,460</u>	<u>327,791</u>	<u>340,743</u>
Net income/(expenditure) and net movement in funds					
		<u>(17,732)</u>	<u>29,223</u>	<u>11,491</u>	<u>(59,686)</u>
Reconciliation of funds					
Total funds brought forward		143,859	707,681	851,540	911,226
Total funds carried forward		<u>126,127</u>	<u>736,904</u>	<u>863,031</u>	<u>851,540</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 15 to 29 form part of these financial statements.

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Statement of Financial Position

5 April 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	14	763,253	755,342
Current assets			
Debtors	15	38,731	22,572
Investments	16	100,000	100,000
Cash at bank and in hand		62,965	62,643
		<u>201,696</u>	<u>185,215</u>
Creditors: amounts falling due within one year	17	<u>101,918</u>	<u>89,017</u>
Net current assets		<u>99,778</u>	<u>96,198</u>
Total assets less current liabilities		<u>863,031</u>	<u>851,540</u>
Net assets		<u>863,031</u>	<u>851,540</u>
Funds of the charity			
Restricted funds		736,904	707,681
Unrestricted funds		<u>126,127</u>	<u>143,859</u>
Total charity funds	18	<u>863,031</u>	<u>851,540</u>

For the year ending 5 April 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the 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 companies subject to the small companies' regime.

The statement of financial position
continues on the following page.

The notes on pages 15 to 29 form part of these financial statements.

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Statement of Financial Position *(continued)*

5 April 2023

These financial statements were approved by the board of trustees and authorised for issue on 21/12/23, and are signed on behalf of the board by:

Ms A Ankrah
Trustee

The notes on pages 15 to 29 form part of these financial statements.

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Notes to the Financial Statements

Year ended 5 April 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 1 Great George Street, Liverpool, L1 5EW.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

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Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

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. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the independent examination in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our independent examination.

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Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

The Black-E

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	Nil - See note 13
Fixtures and fittings	-	25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

The Black-E

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

The Black-E

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

The Black-E was incorporated as a company limited by guarantee under the Companies Act 1985 on 01/06/1972. The liability of the members is limited to £1.00.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
General Donations	200	–	200
Just Giving	102	–	102
Chinese New Year	2,488	–	2,488
Grants			
ACE Capital Grant	–	22,500	22,500
ACE NW Revenue	–	112,024	112,024
Arts Council Recovery Fund	–	–	–
Liverpool City Voluntary	–	7,550	7,550
L C C - Project Grants	–	5,860	5,860
Liverpool Culture City	–	49,249	49,249
Liverpool HAF	–	7,500	7,500
M P A C	–	17,500	17,500
UBELE Initiative	–	500	500
	<u>2,790</u>	<u>222,683</u>	<u>225,473</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
General Donations	209	–	209
Just Giving	–	–	–
Chinese New Year	633	–	633

The Black-E

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Grants			
ACE Capital Grant	–	–	–
ACE NW Revenue	112,024	–	112,024
Arts Council Recovery Fund	31,500	–	31,500
Liverpool City Voluntary	–	21,450	21,450
L C C - Project Grants	–	–	–
Liverpool Culture City	48,832	–	48,832
Liverpool HAF	–	–	–
M P A C	–	1,600	1,600
UBELE Initiative	–	–	–
	<u>193,198</u>	<u>23,050</u>	<u>216,248</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bar Sales	8,008	8,008	2,396	2,396
Commissions	–	–	769	769
Hospitality - Inhouse	12	12	11	11
Miscellaneous Income	225	225	300	300
Sales	–	–	300	300
	<u>8,245</u>	<u>8,245</u>	<u>3,776</u>	<u>3,776</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Venue hire	104,711	104,711	58,386	58,386
House rental	566	566	2,450	2,450
	<u>105,277</u>	<u>105,277</u>	<u>60,836</u>	<u>60,836</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Bank Interest	<u>287</u>	<u>287</u>	<u>197</u>	<u>197</u>

The Black-E

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

9. Costs of other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Staff Costs	3,782	100,829	104,612
Governance costs	8,255	–	8,255
Premises costs	93,024	2,784	95,808
Office costs	17,439	–	17,439
Project costs	11,831	89,847	101,677
	<u>134,331</u>	<u>193,460</u>	<u>327,791</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Staff Costs	110,561	35,000	145,561
Governance costs	3,529	–	3,529
Premises costs	66,132	2,800	68,932
Office costs	72,752	–	72,752
Project costs	22,495	27,474	49,969
	<u>275,469</u>	<u>65,274</u>	<u>340,743</u>

10. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	<u>446</u>	<u>–</u>

11. Independent examination fees

	2023 £	2022 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>2,100</u>	<u>2,100</u>

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023 £	2022 £
Wages and salaries	105,757	143,490
Social security costs	355	2,071
	<u>106,112</u>	<u>145,561</u>

The Black-E

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

12. Staff costs *(continued)*

The average head count of employees during the year was 7 (2022: 5). The average number of full-time equivalent employees during the year is analysed as follows:

	2023	2022
	No.	No.
Number of staff - Finance	1	1
Number of staff - Director	1	1
Number of staff - CYP manager	1	1
Number of staff - Administration	1	1
Number of staff - Cleaning	1	1
Number of staff - Maintenance	1	–
Number of staff - Communications	1	–
	<u>7</u>	<u>5</u>

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

The Black-E

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

13. Trustee remuneration and expenses

Included above are fees and expenses of Mr Harpe in respect of services provided to the charity. The amount included in the year was £10,420 (2022: £19,421).

2 Trustees were reimbursed for their travel expenses in respect of their attendance at Council meetings. The amounts totalled £1,702 for the year ending 5th April 2023 (2022: 3 Trustees totalling £518).

Bill Harpe was a non-paid Trustee - but in addition held the paid position as Cultural Director or Artistic Director and this was a paid position. He was therefore not paid to be a Trustee. He was however paid for his cultural leadership and day to day management of the arts and community operation. The governing document allowed this, so far as he was not involved in setting his own remuneration. Bill Harpe and Wendy Harpe were not involved in setting remuneration. Both ACE and the Charity Commission were aware of this position over the last 50 years.

The Trustees agreed, prior to 2019, that Bill Harpe would begin the process of stepping back and eventually down. Bill Harpe was paid a 'pension' - which covered his role as Joint Cultural Director, together with activity to transmit his work, including Intellectual Property and ideas to the next generation. This included work on the publication, archive and the notation of the great dance works that had framed the creation of the charity and indeed informed the re-development of the actual building space of the Black-E. In accordance with the Governing Documents, Bill Harpe was paid -but the potential conflict continued to be managed, as he neither set, nor participated in setting payments.

Over 2022/23 - payments made to Bill Harpe were based on his continuing contribution and handover, which in March 2023 would culminate in his Retirement and stepping away as a Cultural Director. During this period, Dr Rebecca Amissah functioned as a Cultural Facilitator, and as Joint Cultural Director met with funders, etc. Dr Rebecca as Joint Cultural Director was not paid and as part of the transition agreement, in 2023 became a Trustee and Director. Dr Rebecca remains non-paid.

As of 31/07/23 Bill Harpe is no longer a Director or Trustee and was on his retirement removed as a person with Significant Control. No payments have been made to Bill Harpe since April 2023. It is possible that in future, Trustees may seek to make an ex-gratia payment relating to 5 Huskisson Street and/or Bill's new role as a Patron. If this was to be done, it would be discussed and agreed by vote by the Trustees, taking account of our Conflicts of Interest Policy, Charity Commission guidance on on making ex-gratia payments (including the reputational risk of not making such a payment) and any payment would be derived from earned income and not existing charitable funds.

The Black-E

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

14. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 6 April 2022	762,842	9,063	771,905
Additions	6,575	1,782	8,357
At 5 April 2023	<u>769,417</u>	<u>10,845</u>	<u>780,262</u>
Depreciation			
At 6 April 2022	7,500	9,063	16,563
Charge for the year	–	446	446
At 5 April 2023	<u>7,500</u>	<u>9,509</u>	<u>17,009</u>
Carrying amount			
At 5 April 2023	<u>761,917</u>	<u>1,336</u>	<u>763,253</u>
At 5 April 2022	<u>755,342</u>	<u>–</u>	<u>755,342</u>

The Black-E, the former Great George Street Congregational Church and the land, was donated to the charity in 1982. The original cost is not known. The trustees are consulting with advisors to determine the most appropriate way to value the building, including the cost of upgrading the building, and how to disclose this and the related depreciation in the financial statements.

The Millennium Commission required and has taken a first fixed 80 years charge over the Black-E building and the land together with a floating charge over all assets and the Arts Council has required and taken a second fixed 20 years charge over the Black-E building and the land.

Tangible fixed assets held at valuation

In respect of tangible fixed assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property £
At 5 April 2023	
Aggregate cost	207,500
Aggregate depreciation	(7,500)
Carrying value	<u>200,000</u>
At 5 April 2022	
Aggregate cost	207,500
Aggregate depreciation	(7,500)
Carrying value	<u>200,000</u>

The Black-E

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

15. Debtors

	2023	2022
	£	£
Trade debtors	–	4,878
Prepayments and accrued income	38,440	6,000
Other debtors	291	11,694
	<u>38,731</u>	<u>22,572</u>

16. Investments

	2023	2022
	£	£
Other investments	<u>100,000</u>	<u>100,000</u>

17. Creditors: amounts falling due within one year

	2023	2022
	£	£
Other loans	80,701	80,700
Accruals and deferred income	9,624	3,957
Social security and other taxes	2,453	2,673
Other creditors	–	1,470
Other creditors	9,140	217
	<u>101,918</u>	<u>89,017</u>

The bank overdrafts are secured on 5 Huskisson Street, land at the rear of 5 Huskisson Street and the south side of 17 Canning Street and the credit balance of £100,000 held by Barclays Bank as an investment.

The Black-E

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

18. Analysis of charitable funds

Unrestricted funds

	At 6 April 2022 £	Income £	Expenditure £	At 5 April 2023 £
General Unrestricted fund	(15,691)	116,599	(126,331)	(25,423)
Designated Unrestricted Fund	159,550	–	(8,000)	151,550
	<u>143,859</u>	<u>116,599</u>	<u>(134,331)</u>	<u>126,127</u>

	At 6 April 2021 £	Income £	Expenditure £	At 5 April 2022 £
General Unrestricted fund	1,771	258,007	(275,469)	(15,691)
Designated Unrestricted Fund	159,550	–	–	159,550
	<u>161,321</u>	<u>258,007</u>	<u>(275,469)</u>	<u>143,859</u>

Restricted funds

	At 6 April 2022 £	Income £	Expenditure £	At 5 April 2023 £
Restricted Fund	707,681	222,683	(193,460)	736,904

	At 6 April 2021 £	Income £	Expenditure £	At 5 April 2022 £
Restricted Fund	749,905	23,050	(65,274)	707,681

The Black-E

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

18. Analysis of charitable funds *(continued)*

Arts Council Capital Grant is for Building Refurbishment.

Veolia Trust Grant is for the Kitchen refurbishment.

Granada Foundation Grant is for Streaming Equipment and Music Technology Studio.

Fashions Bequest Fund is for Gallery Exhibitions and Online Games. Fashions Bequest Fund is for Gallery Exhibitions and Online Games.

MPG grant is for Youth Arts Play Scheme and Healthy Eating project.

Trust House Foundation Grant is for After School Project and Play Activities.

Sally's bequest fund is for Youth Music and workshops.

Liverpool HAF is for holiday activities and food programmes to provide free places at holiday clubs for children.

The Ubele Initiative funds are to promote and support African diaspora led infrastructure and to act as catalysts for social and economic change.

Liverpool City Council Grants are for refurbishment of the property.

19. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	90,050	673,203	763,253
Current assets	137,995	63,701	201,696
Creditors less than 1 year	(101,918)	–	(101,918)
Net assets	<u>126,127</u>	<u>736,904</u>	<u>863,031</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	90,139	665,203	755,342
Current assets	142,737	42,478	185,215
Creditors less than 1 year	(89,017)	–	(89,017)
Net assets	<u>143,859</u>	<u>707,681</u>	<u>851,540</u>

The Black-E

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 5 April 2023

20. Restricted funds

	06-Apr-22	Income	Expenditure	05-Apr-23
	£	£	£	£
Building Fund	197,704	–	42,500	155,204
Arts Council England - Building Project	427,500	22,500	85,000	365,000
Veolia Trust - Building Project	39,999	–	8,215	31,784
Granada Foundation	12,000	–	2,600	9,400
Fashions Bequest Fund	8,712	–	1,890	6,822
MPAC	–	17,500	17,500	–
Liverpool City Voluntary	–	7,550	1,640	5,910
ACE NW Revenue	–	112,024	24,300	87,724
L C C - Project Grants	–	5,860	1,275	4,585
Liverpool Culture City / HAF	–	56,749	3,290	53,459
UBELE Initiative	–	500	500	–
Sally & Kevin's Bequest - Youth Music	21,766	–	4,750	17,016
Total	707,681	222,683	193,460	736,904

21. Designated funds

	06/04/2022	Income	Expenditure	05/04/2023
	£	£	£	£
Games and Publications	8,000	–	8,000	8,000
Main Space Floor Improvement	2,000	–	–	2,000
Patron's New Commission's Fund	10,000	–	–	10,000
5 Huskisson Repair & Development	11,000	–	–	11,000
Edward Murphy - Celebration & staffing	8,550	–	–	8,550
5 Huskisson Lease Renewal	120,000	–	–	120,000
Total	159,550	–	8,000	151,550