



Trustees' Annual Report for the period

Period start date
From Day 1 Month April Year 2022 To Day 31 Month March Year 2023

Section A Reference and administration details

Charity name The Rainbow Centre Sri Lanka

Other names charity is known by

Registered charity number (if any) 1114933

Charity's principal address Spring Pond

Midhurst

West Sussex

Postcode

GU29 0QH

Names of the charity trustees who manage the charity

	Trustee name	Office (if any)	Dates acted if not for whole year	Name of person (or body) entitled to appoint trustee (if any)
1	Alison Nagle			
2	Alasdair Nagle			
3	Ajanta Hilton			
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

Names of the trustees for the charity, if any, (for example, any custodian trustees)

Name	Dates acted if not for whole year

Names and addresses of advisers (Optional information)

Type of adviser	Name	Address

Name of chief executive or names of senior staff members (Optional information)

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Section B Structure, governance and management

Description of the charity's trusts

Type of governing document

(eg. trust deed, constitution)

Trust Deed dated 21 May 2006

How the charity is constituted

(eg. trust, association, company)

Trust

Trustee selection methods

(eg. appointed by, elected by)

Appointed by resolution of Trustees

Additional governance issues (Optional information)

You may choose to include additional information, where relevant, about:

- policies and procedures adopted for the induction and training of trustees;
- the charity's organisational structure and any wider network with which the charity works;
- relationship with any related parties;
- trustees' consideration of major risks and the system and procedures to manage them.

There are three Trustees who meet regularly, including by telephone or video calls, to discuss the charity on an ad hoc, as needed basis. The Trustees make all decisions in relation to the charity. The charity does not have any employees or staff.

The Trustees are provided with the guidance for trustees issued by the Charity Commission.

The charity does not have any relationships with related parties or any other charities or organisations.

Section C Objectives and activities

Summary of the objects of the charity set out in its governing document

The charity's overall objectives are: the relief of poverty, distress, sickness and suffering; the provision of shelter, care, food, clothing and medical supplies and treatment; the provision of and promotion of education and training to children and adults; primarily but not exclusively in Sri Lanka.

Summary of the main activities undertaken for the public benefit in relation to these objects (include within this section the statutory declaration that trustees have had regard to the guidance issued by the Charity Commission on public benefit)

The charity funds and will continue to fund the activities of the Rainbow Centre in Sri Lanka. The Rainbow Centre provides daily care, education, healthcare and food to up to approximately 150 children and their families from deprived backgrounds.

During 2022/23, the operations of the Rainbow Centre in Sri Lanka have been normalised following the end of the government-required lockdowns in response to the coronavirus. However, the Sri Lankan economy has experienced very challenging conditions during the past year as a result of an economic and political crisis which have caused: significant depreciation of the local currency; high inflation; and, shortages of fuel, medicine and basic foodstuffs. The Rainbow Centre in Sri Lanka and its staff have responded well to these challenges and the Centre has increased its expenditure on welfare, food, healthcare, utilities and staff wages and salaries.

The Trustees have had regard to the guidance issued by the Charity Commission on public benefit.

Additional details of objectives and activities (Optional information)

The charity is run by volunteers in the UK, including the Trustees. Volunteers assist with fundraising and administration in the UK and assist with the operations of the Rainbow Centre in Sri Lanka. During the year, following the end of covid-related travel restrictions, visits by the Trustees to the Rainbow Centre have resumed.

You **may choose** to include further statements, where relevant, about:

- policy on grantmaking;
- policy programme related investment;
- contribution made by volunteers.

Summary of the main achievements of the charity during the year

The charity represents the principal source of funding of the Rainbow Centre in Sri Lanka and the operations of the Rainbow Centre would cease without this funding.

The Rainbow Centre in Sri Lanka is a unique and much praised provider of education, healthcare, food and support to children and their families from deprived backgrounds in south-west Sri Lanka. It is registered as an NGO in Sri Lanka.

During 2022/23, the operations of the Rainbow Centre in Sri Lanka have normalised from the government-required, coronavirus-related lockdowns. In September 2022, the Rainbow Centre expanded its education and welfare activities to include a Saturday school.

The Rainbow Centre in Sri Lanka continues to make good progress expanding and improving its activities with the recruitment of additional teaching staff and the provision of more staff training.

The Trustees believe that the charity has substantially achieved its objectives for the year.

Section E**Financial review****Brief statement of the charity's policy on reserves**

The charity's policy is typically to hold between one and three years' operating expenditure in reserves. The current level of reserves is in excess of the policy amount.

As at 31 March 2023, the charity had cash reserves of £968,858 (2022 - £973,270) in order to provide for the continued funding of the Rainbow Centre.

Details of any funds materially in deficit

N/A

Further financial review details (Optional information)

You **may choose** to include additional information, where relevant about:

- the charity's principal sources of funds (including any fundraising);
- how expenditure has supported the key objectives of the charity;
- investment policy and objectives including any ethical investment policy adopted.

The principal investment policy of the charity is to minimise the risk of capital loss and its reserves are held in a savings account and in longer-term money market deposit accounts. The funds are held with HSBC UK Bank plc, which is considered to have satisfactory social, environmental and ethical policies in place.

During 2022/23, the charity received an increased amount of donations. Expenditure on funding the activities of the Rainbow Centre decreased in the year due to the completion of the expansion programme at the Centre but counteracted by increased local costs due to inflation.

Section F**Other optional information**

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Section G**Declaration**

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees

Signature(s)



Full name(s)

Alasdair Gordon Nagle

Position (eg Secretary, Chair, etc)

Trustee

Date

4 July 2023



CHARITY COMMISSION
FOR ENGLAND AND WALES

The Rainbow Centre Sri Lanka

1114933

Receipts and payments accounts

CC16a

For the period
from

Period start date

01-Apr-22

To

Period end date


31-Mar-23

Section A Receipts and payments

	Unrestricted funds to the nearest £	Restricted funds to the nearest £	Endowment funds to the nearest £	Total funds to the nearest £	Last year to the nearest £
A1 Receipts					
Donations	86,265	-	-	86,265	76,351
Interest income	12,371	-	-	12,371	355
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Sub total (Gross income for AR)	98,636	-	-	98,636	76,706
A2 Asset and investment sales, (see table).					
	-	-	-	-	-
	-	-	-	-	-
Sub total	-	-	-	-	-
Total receipts	98,636	-	-	98,636	76,706
A3 Payments					
Donations to Rainbow Centre	98,440	-	-	98,440	132,245
Fees and expenses	4,608	-	-	4,608	7,523
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Sub total	103,048	-	-	103,048	139,768
A4 Asset and investment purchases, (see table)					
	-	-	-	-	-
	-	-	-	-	-
Sub total	-	-	-	-	-
Total payments	103,048	-	-	103,048	139,768
Net of receipts/(payments)	- 4,412	-	-	4,412	63,062
A5 Transfers between funds	-	-	-	-	-
A6 Cash funds last year end	973,270	-	-	973,270	1,036,332
Cash funds this year end	968,858	-	-	968,858	973,270

Section B Statement of assets and liabilities at the end of the period

Categories	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
B1 Cash funds	Cash at bank	38,367	-	-
	Money market deposits	930,491	-	-
		-	-	-
	Total cash funds	968,858	-	-
	(agree balances with receipts and payments account(s))	OK	OK	OK
		Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
B2 Other monetary assets		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
B3 Investment assets		Fund to which asset belongs	Cost (optional)	Current value (optional)
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
B4 Assets retained for the charity's own use		Fund to which asset belongs	Cost (optional)	Current value (optional)
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
B5 Liabilities		Fund to which liability relates	Amount due (optional)	When due (optional)
			-	
			-	
			-	
			-	
			-	

Signed by one or two trustees on behalf of all the trustees	Signature	Print Name	Date of approval
		Alasdair Gordon Nagle	04-Jul-22



CHARITY COMMISSION FOR ENGLAND AND WALES

Independent examiner's report on the accounts

Section A

Independent Examiner's Report

Report to the trustees/
members of

The Rainbow Centre Sri Lanka

On accounts for the year
ended

31 March 2023

Charity no
(if any)

1114933

Set out on pages

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended

Responsibilities and
basis of report

As the charity trustees of the Trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent
examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention (other than that disclosed below *) in connection with the examination which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 130 of the Act or
- the accounts do not accord with the accounting records

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

* Please delete the words in the brackets if they do not apply.

Signed:

Date:

19/7/23

Name:

ANDREW CROSS

Relevant professional
qualification(s) or body
(if any):

ICAEW - ACA

Address:

MERCER & HOLE

21 WIMBOR ST,

LONDON, EC3G 7AU

Only complete if the examiner needs to highlight matters of concern (see CC32, Independent examination of charity accounts: directions and guidance for examiners).

Give here brief details of any items that the examiner wishes to disclose.

Examiner review and conclusion

A21-1

Objective: To ensure that all necessary procedures have been followed to conclude on the independent examination.

Independent examination finalisation

1. I have reviewed in detail the financial statements / account and statement and the supporting lead schedules on file.
2. I have completed the overall review as scheduled at A31.
3. I have documented my decisions regarding the points brought to my attention (add schedule reference)
4. I am satisfied that the plans detailed at section B were appropriate for this assignment.
5. I have confirmed that all my and the manager's review points have been satisfactorily resolved (add schedule reference) _____.
6. I confirm that where relevant appropriate safeguards have been implemented to address any 'independence' issues identified on B12 or throughout the examination.
7. I have discussed the review and the accounts with senior staff of the charity, and members of the trustees, as documented (add schedule reference).
8. Written representations have been received from management as appropriate.
9. I am satisfied that adequate work has been performed and recorded with regard to going concern. Given the level of concern, I concur that appropriate disclosure, if any, has been made in the financial statements and if relevant, the examination report.

Comments, initials and date

✓
✓
✓
✓
✓
✓
✓
✓
✓

Examination statement conclusions

- the examination has been properly controlled, conducted and completed in accordance with the relevant Regulator guidance and directions;
- in my opinion (tick as appropriate):

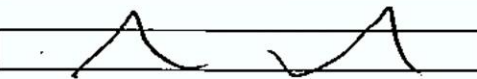
I can give an unqualified opinion.	<input checked="" type="checkbox"/>
My opinion is qualified and / or includes a 'matters of concern' paragraph in accordance with the matters set out on the attached schedule (add schedule reference).	<input type="checkbox"/>

NB. Where any of the above concerns have been identified there should be a clear explanation of the nature of the failure and of its financial effects on the accounts. If the financial effect cannot be ascertained due to uncertainty, the nature of this uncertainty should be explained.

Examiner		Dated:	17/7/23
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Tick the relevant conclusion below:

I have considered independence and our ability to perform the examination and in my opinion there are reasons why we should not accept re-appointment next year (see B11 and B12). The details of these matters are set out on schedule (_____).	<input type="checkbox"/>
I have considered independence and our ability to perform the examination and in my opinion there are no reasons why we should not accept re-appointment next year (see B11 and B12).	<input type="checkbox"/>

Examiner		Dated:	17/7/23
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Comments, initials and date

Confirmation of signing / completion

1. The trustees' report and balance sheet (for Receipts and Payments: Annual Report and Accounts) have been signed, approved and dated.
2. The examination statement has been signed and dated.

Consultation review

A21-3

Objective: To record the need for and extent of review required for consultation and to ensure that all matters arising have been satisfactorily dealt with.

Issue(s) arising from planning or later in the engagement that require second partner / senior manager / expert consultation

Typically, such consultation may be required for difficult or contentious matters.

Notes (refer to other schedules where applicable)

N/A

Reason(s) for a second partner / senior manager / expert consultation

Reason(s) are likely to be the provision of safeguards against identified threats such as long association with the engagement and provision of non-review services and or areas of judgement which require further consultation from an expert.

Notes (refer to other schedules where applicable)

NCN

Discussions with the engagement partner and the rest of the engagement team (where required)

Notes (refer to other schedules where applicable)

NCN

Review points

Record the areas reviewed and any queries arising

	Schedule reference and details of clearance, with initials and date
• Journals and unadjusted errors	
• Subjective areas	
• Management letters and other communication with the client	
• Audit summary memoranda	
• Other:	

Conclusion

All matters above have been properly cleared. Therefore (tick as appropriate):

All difficult / contentious matters requiring consultation have been satisfactorily addressed.	<input type="checkbox"/>
All matters arising from my review to address the ethical threats identified on B12 or throughout the audit have been satisfactorily addressed.	<input type="checkbox"/>

Preparer	MD	Dated:	14/7/23
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Reviewer		Dated:	
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Completion checklist

A31

Objective: To ensure the independent examination has been properly carried out in accordance with the Directions and Guidance issued by the Regulator and that there is a reasonable basis on which to form our conclusions.

Overall review of the financial statements

1. Consider whether the financial statements / account and statement adequately reflect the information and explanations previously obtained and conclusions reached during the course of the examination.
2. Consider whether any new factors have been revealed which may affect the presentation of, or disclosure in, the financial statements.
3. Consider whether the results of analytical procedures applied (Section C) show that the financial statements are consistent with our knowledge of the charity's affairs.
4. Consider whether the presentation adopted in the financial statements may have been unduly influenced by the trustees' desire to present matters in a favourable or unfavourable light.
5. Consider the potential impact on the financial statements / account and statement of the aggregate of uncorrected misstatements (including those arising from bias in making accounting estimates identified) during the course of the examination and the preceding period's examination if any.
6. If corrections to be made to the accounting records, has trustee approval been sought and obtained? Ensure that income / asset levels for audit have not been breached.
7. Review:
 - transfers to or from restricted / designated fund accounts;
 - allocation of income and expenditure between different fund categories;
 - presentation of special or irregular income and expenditure;
 - adequacy of year end funds to meet future liabilities;
 - disclosure of restricted funds.
8. [England & Wales and Northern Ireland] Evaluate the reasonableness of any material estimates or judgments made in preparing the accounts.
9. Enquire with the trustees as to whether outstanding invoices, bills and commitments can be settled as they fall due and consider the implications with regards to going concern.

For receipts and payments accounts only:

10. Consider whether the format of the accounts is appropriate and consistent with the previous period.
11. If a related party note is included, consider whether the information disclosed is accurate.
12. [Northern Ireland] Consider whether S64 of the Charities Act (Northern Ireland) 2008 can be applied (ie. it is an unincorporated charity with income of no more than £250,000), and that funds are correctly identified.

For accruals accounts only:

13. Consider whether the information presented in the financial statements is in accordance with the SORP, accounting standards and where relevant, applicable company law, in particular, related party transactions identified are fully disclosed.
14. Consider whether the accounting policies employed are in accordance with the SORP and fundamental accounting concepts, properly disclosed, consistently applied and appropriate to the charity including the trustees' assessment of going concern.

Also review:

- valuation of gifts in kind;
 - valuation of fixed asset investments where no market prices exist;
 - estimates resulting from transactions not being fully recorded in the accounting records; and
 - where applicable, the allocation of costs between various expenditure categories of the SOFA.
16. Are any departures from applicable accounting standards other than those expressly permitted by the SORP, necessary for the financial statements to give a true and fair view?
 17. Do the financial statements reflect the substance of the underlying transactions and not merely their form?
 18. Read all other information in the financial statements and annual report, including the reserves policy and level of reserves. Consider whether there are any apparent misstatements or material inconsistencies with the financial statements.

Notes (refer to other schedules where applicable)

Yes

No

Yes

No

N/A

N/A

Yes

N/A

Yes

N/A

N/A

N/A

N/A

N/A

N/A

N/A

N/A

Notes (refer to other schedules where applicable)

N/A

Yes

N/A

Planning review

1. Did we review and revise our plans as additional information became available?
2. Was the examination conducted in accordance with the plans and were all points noted at the planning stage properly considered in the examination?
3. Have all ethical issues identified on B12 or throughout the engagement been summarised for the engagement partner?

Completion checklist

A31

Evidence

1. Have all important matters been documented in the working papers, particularly the nature and extent of procedures, reasoning on matters of judgement and conclusions?
2. Have final analytical procedures been undertaken and comments on significant fluctuations or unexpected relationships been recorded and corroborated?

NB. Where such matters have not been corroborated we should consider including them in the examiner's report.

3. Have we noted any material expenditure or action which appears not to be in accordance with the trusts of the charity?

NB. Where such matters have occurred we should consider including them in the examiner's report.

4. Have there been any matters on which the trustees have failed to provide us with adequate information or explanations?

NB. Where such matters have occurred we should consider including them in the examiner's report.

5. Have we considered the need to update customer due diligence procedures?
6. Have we remained alert to additional information throughout the examination to ensure that audit and accounts thresholds have not been breached? Where breached, have the accounts been referred back to the trustees?

7. Have all staff acted in accordance with the firm's anti-money laundering procedures?

NB. Details of suspicious money laundering activities should not be detailed on the independent examination file.

Notes (refer to other schedules where applicable)

Yes

Yes

No

No

Yes

Yes

Yes

Compliance

1. Have statutory accounts and annual report been drafted and referenced to the examination schedules?
2. Have comparatives been agreed to previous year's accounts?
3. Has audit exemption eligibility (criteria on B02) been confirmed?
4. Has a relevant Charities Accounts disclosure checklist (A32) been completed?
5. Has the whistleblowing checklist (A43) been completed?

Notes (refer to other schedules where applicable)

Yes

Yes

Yes

Yes

Yes

Administration

1. Has a points forward schedule been drafted?
2. Has next year's staffing requirement been considered and recorded?
3. Has the permanent file been updated for information acquired during the examination work?

Notes (refer to other schedules where applicable)

N/A

N/A

N/A

Trustees' annual report

1. Consider whether the trustees' report is consistent with the financial information in the financial statements, in particular consider the reserves policy and that any figures for reserves quoted is not materially inconsistent with the accounts.

2. Where inconsistencies are identified which may have a significant effect on a proper understanding of the accounts, such matters should be brought to the attention of the trustees.

If no appropriate amendment is made to the annual report then details of the matter should be provided in the examiner's report.

Notes (refer to other schedules where applicable)

Yes

N/A

Prepared by	EE	Dated:	14/7/23
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Reviewed by	MD	Dated:	14/7/23
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Whistle blowing - Reporting to the regulator checklist

A43

Objective: To consider whether any significant matters should be reported to the regulator.

The duty to report arises where the examiner, in the course of his / her work identify a matter, which relates to the activities or affairs of the charity or of any connected institution or body, and which the examiner has reasonable cause to believe is likely to be of material significance for the purposes of the exercise by the regulator of its functions.

NB. The regulator for charities registered in England and Wales is the Charity Commission for England and Wales, in Scotland it is the Office of the Scottish Charity Regulator and in Northern Ireland, it is the Charity Commission for Northern Ireland. For Cross Border Charities, reports should be made to all regulators as no regulator is deemed to be the lead regulator in relation to whistleblowing. For further details on the duties and rights to report to the regulator, see the guidance notes included within this manual.

The following are indicators of matters that may need to be reported to the regulator. Where the answer is "yes" further details should be given.

Matter 1 - Dishonesty and fraud involving a significant loss of, or of material risk to, charitable funds or assets

1. Evidence suggesting false accounting.
2. Evidence suggesting misuse of the property of the charity.
3. Knowledge or suspicion of theft or misappropriation.
4. Evidence giving rise to doubts as to the honesty or integrity of any charity trustee. For example:
 - The person is disqualified from acting as a trustee.
 - The examiner has been obstructed by any action or inaction of the person from obtaining all necessary information and explanations.

Yes/No (add comments as needed)

No
No
No
No

Matter 2 - Internal controls and governance

NB. There will only be a reporting duty if the neglect resulted or could result in a material loss of the charity's assets, or which leads to material funds being put at major risk.

1. A failure of the trustee body to meet or consider issues affecting the charity.
2. A failure of the trustee body to have policies to support the governance of the charity (eg. declaring and managing conflicts of interest).
3. A lack of sufficient internal controls to ensure no significant loss or misappropriation of charitable funds (eg. no policy to confirm the completeness of fundraising income).
4. Uncertainty exists as to who are the charity's trustees.
5. The trustee body as a whole lacks the skills necessary for a proper oversight of the charity's activities.
6. A gross failure on the part of the trustee body to keep accounting records.
7. Evidence of indifference on the part of the charity trustee or trustee body. For example:
 - The trustee body tends to "rubber stamp" decisions made by a dominant member of staff.
 - Evidence that professional advice has not been sought or has been disregarded without due consideration.
 - Functions delegated to third parties are not monitored and controlled.
 - Important issues of policy or strategy not being properly decided by the trustee body.
 - A failure to take action in the case of fraud within or affecting the charity.

Yes/No (add comments as needed)

No
No
No
No
No
No
No

Matter 3 - Money laundering and criminal activity

1. Knowledge or suspicion that the charity's funds, in particular their bank accounts, could have been used for money laundering purposes, for example, an attempt to evade any direct or indirect tax properly payable.
2. The sources of some funds are unclear and management is unwilling to provide further details, or the refusal of trustees to explain an unusual transaction, leading to the suspicion that such funds could be the proceeds of serious crime.

Yes/No (add comments as needed)

No
No

Matter 4 - Support of terrorism

(NB. A qualifying offence as defined by Section 3(7) of the Northern Ireland (Sentences) Act 1998 are excepted.)

1. Knowledge or suspicion that the charity, its trustees, employees or assets, have been involved in or been used to support terrorism either within the UK or worldwide.
2. Funds have been transferred to proscribed terrorist organisations as listed by the Home Office on <https://www.gov.uk/government/publications/proscribed-terror-groups-or-organisations-2>.

Yes/No (add comments as needed)

No
No

Matter 5 - Risk to charity's beneficiaries

Yes/No (add comments as needed)

Whistle blowing - Reporting to the regulator checklist

A43

1. [Evidence that the way the charity carries out its work relating to the care and welfare of beneficiaries has put them at significant risk of abuse or mistreatment. For example:

- Though working with young / vulnerable people, the charity does not have a safeguarding policy or it is not applying it.
- DBS checks are not being performed on new staff and volunteers.
- Complaints have been made against the charity by beneficiaries or their families, or there is a legal case in progress.]¹

No

Matter 6 - Breaches of law or the charity's trusts

(NB. There will only be a reporting duty if, in addition to evidence suggesting that a trustee acted deliberately or recklessly, the charity suffered or was likely to suffer a material loss or misapplication of its assets.)

1. Trustee body not properly constituted.
2. A material application of funds or disposal of property clearly outside the objects of the charity or contrary to the terms of the original trust.
3. An attempt by any trustee to obtain an improper pecuniary benefit for themselves or another and/or to the charity's detriment.
4. Speculative or reckless investments or other actions contrary to the trusts of the charity.
5. Trustees receiving remuneration without proper powers or consent.
6. Failure to obtain proper consent from the regulator for certain events which require notification to the regulator on an ad hoc basis. For example:
 - Property transactions with connected persons.
 - Changes in the charity's activities or governing document.
 - Establishment of common deposit or common investment funds.

Yes/No (add comments as needed)

No

No

No

No

No

No

Matter 7 - Breach of an order or direction made by a charity regulator

1. Review regulators websites and trustee meeting minutes for evidence suggesting a deliberate or significant breach of an order or direction made by a charity regulator under statutory powers. For example:

- A suspended trustee still attending meetings.
- A restricted transaction / activity / granting prohibited by the regulator still goes ahead.

Yes/No (add comments as needed)

No

Matter 8 - Qualified independent examiner's report

1. On making a qualified independent examiner's report. Identification of matters of concern to which attention is drawn, notification of the nature of modification / emphasis of matter or concern with supporting reasons including notification, if any, of any subsequent action taken by the trustees.

Yes/No (add comments as needed)

N/A

Matter 9 - Conflicts of interest and related party transactions

1. Evidence suggesting that conflicts of interest have not been managed by the trustees in accordance with guidance issued by the charity regulator.
2. Evidence suggesting that related party transactions have not been fully disclosed in all respects as required by the SORP.

Yes/No (add comments as needed)

No

No

Conclusion

I am satisfied that all significant matters have been properly reported to the regulator.

Examiner:		Dated:	19/7/23
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¹ Where concerns arise in England and Wales, auditors should read: <https://www.gov.uk/government/publications/strategy-for-dealing-with-safeguarding-issues-in-charities/strategy-for-dealing-with-safeguarding-issues-in-charities>, in Scotland, auditors should read: <https://www.oscr.org.uk/guidance-and-forms/managing-a-charity-guidance/safeguarding-guidance-keeping-vulnerable-beneficiaries-safe> and in Northern Ireland, auditors should read: <https://www.charitycommissionni.org.uk/charity-essentials/safeguarding-resources/>

Planning checklist

B01

Objective: To ensure that a cost effective independent examination is planned in accordance with the Directions and Guidance issued by the Regulator.

Pre planning

Notes (refer to other schedules where applicable)

1. For new clients, ensure that the new client checklist (see B13) has been fully completed and approved by the Independent Examiner. Ensure that customer due diligence is completed (see your firm's Money Laundering Compliance Manual).
2. For existing clients
 - a. update responses to previous new client checklists to ensure reacceptance of appointment is appropriate; and
 - b. consider the need to update customer due diligence procedures (eg. due to changes in ownership and control or other significant changes at the client or changes in the nature / extent of the services we provide to them) (see your firm's Money Laundering Compliance Manual).
3. Complete acceptance of appointment / reappointment form (see B11) to identify threats to objectivity and independence.
4. Where threats to independence have been identified, document your assessment of the level of threat(s) and confirm that sufficient safeguards are in place to enable us to continue this appointment (see B12).

N/A

Yes

Yes

N/A

Eligibility

Notes (refer to other schedules where applicable)

1. Ascertain whether the charity is entitled to exemption from an audit. Complete B02 if considered necessary. [England & Wales] If not exempt from audit, the accounts must be referred back to the trustees.

Charity is exempt

Knowledge of the charity

Notes (refer to other schedules where applicable)

1. Review permanent, correspondence, tax and other files for matters relevant to the accounts or examination.
2. Review previous years file for points forward and report to management. [For England & Wales] Follow up any prior year errors reported to the client / management letter points to see what action taken.
3. Obtain and record further information on the client by discussion with the partner / manager.
4. Review the letter of engagement and confirm that it covers all aspects of the assignment or update it as appropriate.
5. Meet with / speak to the client, discuss all matters relating to the financial position of the charity, the structure of the charity and its objectives and activities, the developments during the period and anything which might affect the assignment.
In particular
 - a. changes in the activities, sources of income, estimated results and closing fund balances and whether any breach of trust arisen;
 - b. changes in the accounting system/key personnel/book keeping (update PF2 as necessary);
 - c. changes in the constitution or correspondence with the regulator;
 - d. what related party transactions have occurred and, for accruals accounts, what disclosures are required under the SORP;
 - e. acquisitions/disposals of fixed assets;
 - f. other major contracts/agreements entered into during the period (eg. lease, HP, funding arrangements, etc.);
 - g. stocktaking arrangements (if material);
 - h. year end timetable and examination timetable;
 - i. work/schedules undertaken by the client;
 - j. possible problem/important areas;
 - k. any branches which form a part of the charity for accounting purposes;
 - l. review of the minutes of trustees' meetings;
 - m. understand significant estimates and judgements;

In addition for England & Wales:

 - n. consider the trustees annual review of internal financial controls and the results thereof;
 - o. review trustees risk management policy / risk register;
 - p. understand the reserves policy, and the adequacy of the level of reserves held;
 - q. understand how the trustees ensure the accounting records are complete.
6. Consider the current financial position and where relevant understand why the trustees are of the opinion that the charity is a going concern.
7. Confirm which accounts format is to be adopted (ie. Receipts and Payments or Accruals) and that the charity is entitled to prepare such accounts (see guidance notes in section A of the manual for details). For Receipts and Payments, check the governing document to ensure no specific requirement for accruals accounts.
8. Note whether the charity wishes to apply any disclosure exemptions under the SORP (see disclosure checklist section).

Yes

Yes

Yes

Yes

Yes

Yes

Yes

Planning checklist

B01

9. Consider whether a search should be obtained from the regulator.

10. Update each section of the permanent file/information and sign off as required. In particular, ensure that the permanent file contains a record of the accounting system assessing whether the charity is well run and a conclusion as to its adequacy.

Yes

Approach

1. Complete preliminary analytical procedures as possible.

2. Based on the results of the analytical review and your involvement with accounts preparation, plan the overall approach to the assignment. (This approach may be filed and merely reviewed each year.)

3. Identify which material items, if any, may require some form of vouching or evidence. If none, identify which significant transactions should be vouched, including journals, to test the adequacy of the accounting records and that the accounts are consistent with the accounting records.

Notes (refer to other schedules where applicable)

N/A

N/A

N/A

Administration

1. Allocate staff required according to their knowledge and experience and the complexity of the assignment and ensure they are aware of the following sector specific considerations:

- special features of the charity such as nature and sources of income, fundraising activities and operating structure;
- an awareness of the regulatory sector, specifically the legislative and regulatory framework the charity is subject to;
- terms of restricted/designated funds;
- the provisions concerning the examiner's duty to report matters of material significance to the regulator.

2. Further understanding, commensurate with the individual's role and responsibilities in the examination process, is required of:

- the governing document of the charity;
- responsibilities of trustees under general and charity law;
- detailed knowledge of the matters on which the examiners are required routinely to report;
- any guidance issued by the regulator with respect to matters on which the examiners are required routinely to report.

3. Decide level of supervision required based upon knowledge and experience of team and the complexity of the assignment.

4. Plan timetable for accounts and examination work and confirm with the client.

5. Plan dates for manager and partner review.

6. Confirm in writing details of schedules / information to be prepared by the client.

7. Review time summaries and variances from previous year. Consider whether there was any wasted/inefficient time last year.

8. Produce time budget and fee estimate.

9. Brief all staff in detail regarding responsibilities and important matters. Record details of the meeting including who was present and the matters discussed.

10. Ensure all staff are aware of the firm's internal anti-money laundering procedures.

11. Other:

Yes

Yes

Yes

Yes

Yes

Yes

Yes

Yes

Yes

Yes

N/A

Prepared by	EE	Dated:	11/7/23
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Reviewed by	MD	Dated:	11/7/23
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Examiner approval

I have reviewed the planning section, supporting schedules and planned work programmes and approve the work as planned.

Examiner		Dated:	
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Audit exemption eligibility checklist

B02

Objective: To confirm that the standalone charity is audit exempt and requires an independent examination.

For a charitable company in a group scenario or a cross border charity, consideration of Sections 2 and 3 of the guidance notes of the manual is recommended.

Audit exemption criteria are achieved if all relevant questions below are answered YES.

Yes/No (add comments as needed)

Unincorporated charities and CIOs - England and Wales

1. Check accounting records (eg. trial balance) and confirm with the trustees that they believe that the exemption conditions will be met and that the charity requires an independent examination, ie.

- gross income will not be more than £250,000; or
- if gross income is between £250,000 and £1,000,000, total assets will not be more than £3,260,000.

NB: If gross income will not exceed £25,000, external scrutiny is not usually required.

Unincorporated charities and SCIOs \neq Scotland \pm

1. Confirm with the trustees that they believe that the exemption conditions will be met and that the charity requires an independent examination, ie.

- gross income will be less than £500,000; and
- total assets will not be more than £3,260,000.

Unincorporated charities - Northern Ireland \pm

1. Check accounting records (eg. trial balance) and confirm with the trustees that they believe that the exemption conditions will be met and that the charity requires an independent examination, ie.

- gross income will not be more than £500,000.

All unincorporated charities, CIOs and SCIOs

1. Confirm the governing document does not require a full audit.

NB: If the constitution was written before 1 March 1992, reference to 'audit' may not require an audit to be performed. Refer to Section 3.6 of the guidance notes of the manual.

2. Confirm that there is no other requirement for audit (eg. grant provider / other statutory regime).

Limited companies - England and Wales

1. Check accounting records (eg. trial balance) and confirm with the trustees that they believe that the exemption conditions will be met and that the charity requires an independent examination, ie.

- the charity does not require an audit under the Charities Act:
 - gross income will not be more than £250,000; or
 - if gross income is between £250,000 and £1,000,000, total assets will not be more than £3,260,000; and
- the company is entitled to the small companies audit exemption.

NB: If gross income will not exceed £25,000, external scrutiny is not usually required.

Limited companies - Scotland \pm

1. Confirm with the directors that they believe that the exemption conditions will be met and that the charity requires an independent examination, ie.

- gross income will be less than £500,000;
- total assets will not be more than £3,260,000 at the end of the year; and
- the company is entitled to the small companies audit exemption.

Limited companies - Northern Ireland \pm

1. Check accounting records (eg. trial balance) and confirm with the directors that they believe that the exemption conditions will be met and that the charity requires an independent examination, ie.

- gross income will not be more than £500,000; and
- the company is entitled to the small companies audit exemption.

All limited companies

1. Confirm the company's Articles of Association permit the company to dispense with an audit.

2. Confirm that fewer than 10% in number of members have lodged a request for an audit in writing at the registered office of the company.

Conclusion

Tick the relevant conclusion below:

Based on the above, the charity does qualify for audit exemption and requires an independent examination.

☐

Acceptance of appointment or reappointment

B11

Fees*, litigation, gifts and hospitality

1. Is there a risk that insufficient staff time and skill has been allocated to the engagement, irrespective of the fee?
2. Is the engagement or any other professional work being undertaken on a contingent fee basis?
3. Are there any non-trivial professional fees overdue?
4. Do total fees for the client / group of clients represent a significant proportion of
 - a. the firm's total annual fee income; or
 - b. where profits are not shared on a firm-wide basis, of the part of the firm by reference to which the engagement partner's profit share is calculated?
5. Are any members of the engagement team evaluated on or compensated for selling non-review services to the client?
6. Is the firm involved, or likely to become involved, in any legal action with the client?
7. Has any individual in the firm or their immediate family received gifts, services or hospitality, from the client?

Yes/No

No
No
No
No
No
No
No

Other considerations

1. Are there any concerns regarding whether the examiner is independent (ie. concerns regarding close personal relationships with the trustees, day to day involvement in the administration of the charity, the examiner having served on a sub-committee that oversees the finances or fundraising of the charity, the examiner being dependent as a beneficiary on the charity, the examiner being a material donor to the charity or the examiner having accepted hospitality or gifts from the charity of its trustees) or whether the examiner is suitably qualified?
2. Are there any other factors that could (or could be seen to) affect the firm's objectivity and independence?
3. Are there any concerns regarding the integrity of this client?
4. Are there any other reasons why we should not accept (re)appointment?

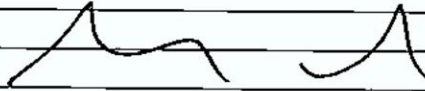
Yes/No

No
No
No
No

Conclusion

Tick the relevant conclusion below:

ALL answers above are 'no'. Therefore the firm is able to accept (re)appointment.	<input checked="" type="checkbox"/>
One of more answers above are 'yes'. Therefore B12 records my conclusion.	<input type="checkbox"/>

Engagement Partner		Dated:	19/7/23
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**This form is based on compliance with Part 4A of the relevant ethical framework for accountants undertaking review engagements. Paragraph 400.0 A2 of the ICAEW / CARB Codes of Ethics explains that, where more convenient, the independence requirements of the current applicable FRC Revised Ethical Standard (FRC ES) may be used. This allows use of Provisions Available for Audits of Small Entities (PAASE). The FRC ES, however, includes explicit limits and time-frames in excess of principles outlined in the ICAEW / CARB Codes of Ethics in the areas marked '1' above. Members of other professional bodies must understand and assess implications of there being no reference to use of the FRC ES in their ethical framework. Further guidance in this area is outlined in Section 8.7 of the guidance notes section of this manual.*

1. For PAASE alternative provisions and exemptions see Section 8.7 of the guidance notes section of this manual.
2. This includes immediate family.
3. See Section 8 of the guidance notes to this manual.

Assessment of independence threats and safeguards

B12

Objective: To document and explain the firm's compliance with independence requirements.

Where the provision of non-review services is identified on B11 complete the "Non-review Services" section below to show, as appropriate, how the related management, self-review and other threats are safeguarded. Where B11 or other procedures indicate the presence of long association and / or other threats, also complete the "Long Association" and / or "Other Threats and Safeguards" sections before drawing a conclusion.

Non-review services

Assess the threat(s) arising from each of the non-review services identified on B11.

Management and self-review threats usually arise at some level when non-review services are provided. Where you do not believe that the non-review services give rise to a management or self-review threat, explain why.

Notes on the threats arising from each non-review services (refer to other schedules where applicable)

None

Management threat

Where a management threat exists, does the client have informed management (recorded on B11)?

1. If yes the management threat is mitigated by ensuring that (tick as applicable):

Informed management sign copies of all adjustments / a profit reconciliation (tick if applies)	<input type="checkbox"/>
Other (describe):	<input type="checkbox"/>

2. If no, we are (tick one):

Adopting the PAASE exemption (where relevant), including additional disclosure in the review engagement report and financial statements; or	<input type="checkbox"/>
Required not to perform the non-review service; or	<input type="checkbox"/>
Unable to seek (re)appointment	<input type="checkbox"/>

Yes/No (add comments as needed)

N/A

Self-review threat

Where a self-review threat exists, does the client have informed management and qualify for use of PAASE?

1. If yes, we intend to adopt PAASE alternative provisions. Issues are discussed with informed management and we will extend our quality reviews to include a random selection of similar engagements where non-review services have been provided. (Disclosure not required in the review engagement report and financial statements).

2. If no, or we do not intend to adopt PAASE alternative provisions, the self-review threat is mitigated by ensuring that (tick as applicable):

Work is undertaken by separate staff;	<input type="checkbox"/>
Review of the non-audit service is undertaken by a separate reviewer	<input type="checkbox"/>
An independent ethics review (A21-3) is undertaken	<input type="checkbox"/>
An engagement quality review (B03 and A21-2) is undertaken	<input type="checkbox"/>
An external independent hot/cold file review is undertaken	<input type="checkbox"/>
Other (describe):	<input type="checkbox"/>

Yes/No (add comments as needed)

N/A

Other threats arising from provision of non-review services

Do any other threats (ie: self-interest, advocacy, familiarity or intimidation) arise from the provision of non-review services?

1. If yes, explain the circumstances, assess the threats arising and the safeguards implemented:

Yes/No (add comments as needed)

None

Long association (see B11)

Is there a familiarity threat arising from long association?

Yes/No (add comments as needed)

No.

Assessment of independence threats and safeguards

B12

1. If yes, the threat is mitigated by ensuring that (tick as applicable):

An independent ethics review (A21-3) is undertaken	<input type="checkbox"/>
An engagement quality review (B03 and A21-2) is undertaken	<input type="checkbox"/>
An external independent hot/cold file review is undertaken	<input type="checkbox"/>
Other (describe):	<input type="checkbox"/>

N/A

AND the reasoning as to why the individual continues to participate in the engagement is documented and the facts are communicated to those charged with governance¹:

Other threats and safeguards (see B11)

Are other threats (ie: self-interest, self-review, management, advocacy, familiarity or intimidation) indicated by B11 or other procedures?

1. If yes:

- Explain the circumstances and identify the threats arising:
- Assess the threats that arise and outline the safeguards implemented:

Yes/No (add comments as needed)

NO

Consultation and communication

Discussion with the ethics partner

Were any of the above matters discussed with the firm's ethics partner?

If yes, outline the discussions in the notes column or cross-refer to a separate schedule:

Communication with management and those charged with governance

A summary of how we communicated significant issues to management and those charged with governance in accordance with the relevant ethical requirements is cross-referenced here:

Yes/No (add comments as needed)

N/A

N/A

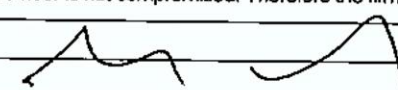
Engagement Partner judgement and conclusion

Use the space below to add further notes on your judgements regarding the ethical threats and safeguards identified above, including the rationale for your final conclusion.

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Tick one of the conclusions as appropriate:

The firm can accept (re)appointment It is probable that an objective, reasonable and informed third party ² , taking into account safeguards applied, would conclude that the independence of the firm or engagement team member is not compromised. Therefore the firm is able to accept (re)appointment.	<input type="checkbox"/>
The firm cannot accept (re)appointment It is probable that an objective, reasonable and informed third party, taking into account safeguards applied, would not conclude that the independence of the firm or engagement team member is not compromised. Therefore the firm is unable to accept (re)appointment.	<input type="checkbox"/>

Engagement Partner		Dated:	19/7/23
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¹ This is required for firms which apply the FRC's Ethical Standard, in addition to implementing appropriate safeguards.

² For firms applying the FRC's Ethical Standard, this now includes a clearer and stronger 'objective, reasonable and informed third party test' which should be considered appropriately.