

Independent Examiner's Report to the Trustees of Sprowston Youth Engagement Project Charity For the year ended 31 March 2023

Registered Charity No: 1197675

Income in the Year: £160,166.23

Expenditure in the Year: £132,029.05

Reserves as at 31 March 2023: £60,543.99

1. Respective responsibilities of Trustees and Independent Examiner.

The Charity's Trustees are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011. The Trustees require an independent examination.

As the Independent Examiner it is my responsibility to:

- a) examine the accounts under section 145 of the Charities Act 2011.
- b) follow all the applicable Directions given by the Charity Commission under section 145 (5)(b) of the Act and state whether particular matters have come to my attention.

2. Report for the year ended 31 March 2023.

The Charity Commission records show that the Charity was registered as a Charitable Incorporated Organisation (CIO) on 26 January 2022. CIOs are a relatively new legal structure available for charities or charitable groups that wish to be incorporated and can be selected instead of registering as a charity. CIOs have been designed specifically for charitable groups, allowing them to register just once with the Charity Commission as an incorporated form of charity which is not a company. This removes the need to register with and report to Companies House.

One of the benefits of becoming a CIO is to secure a reduced administrative burden. The CIO also has its own legal identity and so can enter into contracts in its own right rather than in the name of individual trustees. Trustees will also have limited liability although they are still responsible for managing the organisation.

The Charity Commission's registration displays the aims and activities of the Charity as follows: *'to act as a resource for young people up to the age of 25 years living in Sprowston and the surrounding area by providing advice and assistance and organising programmes of physical, educational and other activities as a means of:*

a) *Advancing in life and helping young people by developing their skills, capacities and capabilities to enable them to participate in Society as independent, mature and responsible individuals and to build their self-esteem;*

b) *Advancing Education;*

c) *Providing Recreational and Leisure time activity in the interests of social welfare for people living in the area of benefit who have need by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such persons.*

The Charity has a Scribe accounting system in place with detailed breakdown of receipts and payments recorded within the system. A Summary document recording the Receipts and Payments in the year of account has been constructed and presented to the Independent Examiner. The Independent Examiner attended the Old Catton Parish Council's offices on 22 January 2023, when the End of Year Accounts and a range of transactions in the year of account were examined on a sample basis.

The following observations are made (**heavy type where action required**):

a) The Charity's Accounts for the year ending 31 March 2023 have been prepared on an Income and Expenditure basis and have yet to be formally approved by the Trustees.

b) The Treasurer/Secretary confirmed that she will be submitting the Trustees' Annual Report and final Accounts following approval by Trustees.

c) The Charity holds a Current Account at the Barclays Bank. The Account stood at £59,552.94 at 31 March 2023 and which, taking into account an amount of VAT recoverable (£991.05) as at that date and included in the Balance Sheet at the year-end, reconciles with the Account balance of £60,543.99 as at 31 March 2023.

d) The Independent Examiner has confirmed that the Bank Statement as at 31 March 2023 agreed and reconciled with the End-of-Year Accounts at that date, as follows:

Accounts Balance b/f at 1 April 2022:	£32,406.81 (confirmed with Accounts and Bank Reconciliation at that date)
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Add Income in year 2022/23:	£160,166.23 (confirmed with Transactions List)
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Deduct Expenditure in year 2021/22:	£132,029.05 (confirmed with Transactions List)
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Accounts balance c/f at 31 March 2023:	£60,543.99 (confirmed with Bank Statement at that date).
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e) The recorded Overall Income of £160,166.23 in the 2022/23 year of account consisted of £50,026.28 from the National Lottery Reaching Communities Programme; £38,674.95 from the Community Outreach Project, Grants of £20,003 from the Urban Adventure Garden Project, £10,000 from the Community Ambassador Project and £8,000 from Social Action Youth Connectors. Significant income was received from the Teen Café Projects (£10,316.67 from Old Catton and £13,816.66 from Sprowston). Other listed income items were 1-1 Work Project (£4,986), Football Team Project (£1,978.67), LGBTQ Project (Norfolk) (£1,164), Bike Project (£1,000) and the Garden Project (£200).

f) Overall Expenditure in the year was recorded as £132,029.05 in the 2022/23 year of account and consisted of (inter alia) Community Outreach Project (£48,646.43), Urban Adventure Garden Project (£36,766.92); Teen Café Projects (Old Catton £5,386.88) and Sprowston (£8,678.13); National Lottery Reaching Communities Programme (£9,839.62), Social Action Youth Connectors (£7,902.48) and Community Ambassador Project (£6,690.18).

g) The Reserves balance at the year-end 31 March 2023 amounted to £60,543.99 and reflected the overall surplus of £28,137.18 (from the balance of £32,406.81 in the 2021/22 year of account to £60,543.99 at the end of the 2022/23 year). As at 31 March 2023 the Charity held sufficient reserves and contingency sums to meet, within reason, any unforeseen items of expense that may occur.

h) The Treasurer/Secretary advised the Independent Examiner that the Trustees do not currently maintain a Reserves Policy document. In view of the significant cash balances available it is suggested that the Trustees consider constructing and approving a Reserves Policy to support and provide guidance upon the Charity's use of current Cash Reserves and possible Investment Strategies for longer-term financial planning.

i) The Charity is not registered with the Information Commissioner's Office (ICO) as a Fee Payer/Data Controller for Local Charity purposes. Whilst some organisations which are established for 'not-for-profit' making purposes can be exempt from registration (small clubs, voluntary organisations and some charities), it is considered that the Trustees should make the appropriate registration with the ICO and the Treasurer/Secretary has confirmed that she will take this matter forward.

j) The Treasurer/Secretary has registered the Charity with HMRC for PAYE purposes and is using the Basic PAYE toolkit and has made a declaration of compliance to the Pensions Regulator regarding the provision of workplace pensions. A Schedule of salary/wages displaying calculations with effect from January 2022 and from April 2023 was made available to the Examiner.

k) The Charity is not currently registered with HMRC for VAT purposes and VAT is currently not being recovered from HMRC. It should be noted that the amount of £991.05 has been included in the End of Year Accounts 2022/23 as a Debtor (VAT recoverable from HMRC). There is currently no certainty that this will be recovered from HMRC. The Treasurer/Secretary advised the Independent Examiner that she will be making enquiries to HMRC regarding possible registration with HMRC for VAT purposes and to confirm the position regarding the reclaiming of the sum of £991.05 and future VAT payments from HMRC and making payment to HMRC of any amounts VAT charged to creditors.

l) The Charity has very recently constructed an Asset Register listing equipment and machinery under the ownership of the Charity. The Asset Register describes each asset held, its location and the Initial (Purchase) Value and Insured Value. The details relating to the date of acquisition, model/serial number and manufacturer's name (where relevant) have yet to be displayed in the Register. As at 31 March 2023 the Register recorded Assets of £10,046.50 at Initial Value.

m) The Insurance Policy for the period 13 November 2022 to 12 November 2023 was presented to the Independent Examiner. The Policy was with Northern Counties (NC) Insurance at a cost of £656.95. Cover for Employer's Liability £10., Public Liability £5m., Buildings £1,030; Contents £1,803; Computer Equipment £845 and Portable Equipment £6,931. **The Treasurer/Secretary advised that following her recent receipt of the Asset Register it had become clear that the Insurance Policy did not adequately cover the value of assets identified and she is arranging for an increase in cover to reflect the current value of assets held.**

n) The Charity's insurance policy does not provide cover for Fidelity (Fraud and Dishonesty) or Cyber and Data Risks, Fidelity Guarantee Insurance normally covers the maximum amount of bank/cash sums held by a Charity at any one time. It is considered that in view of the sums being maintained by the Charity consideration should be given to obtaining suitable cover. The Charity Commission stresses that Fidelity insurance cover does not imply any mistrust of Employees,

Volunteers or Trustees but reflects a professional duty to protect the Charity's resources and reputation.

o) The Policy includes cover Employer's Liability at £10m but Public Liability at £5m. The standard cover for Public Liability is normally £10m and the Treasurer/Secretary has agreed to contact the insurer with regard to increasing the cover to at least the standard rate of £10m.

p) The Treasurer/Secretary also agreed to confirm with the insurer that appropriate Officials' and Trustees' Indemnity cover is in place (the policy refers to professional liability and management liability but a detailed description was not available to the Examiner to confirm the extent of the cover in place.

q) The Council's financial administration is undertaken by the Treasurer/Secretary to a high standard through the use of the Scribe accounting system. End of Year financial statements (Income and Expenditure Account and Balance Sheet) have been prepared by the Treasurer/Secretary. The Scribe Accounting system displays the date of payment, the method of payment, the payee (or person/organisation making payment to the Charity in the case of sums received) and the category/sub-category concerned. The Scribe accounting system secures the necessary financial control over transactions and provides clear evidence of each payment and receipt.

r) The Independent Examiner undertook a sample check of the entries in the Scribe Payments Lists for each month of the year of account and confirmed the transactions with the Bank Statements. Individual invoices/vouchers supporting the payments made were examined. Invoices/vouchers were confirmed as held for each item of expenditure examined with an appropriate audit trail in place.

s) The Treasurer/Secretary confirmed that the Charity did not have Creditors (debts owed to any parties) as at 31 March 2023. Similarly, no Debtors (sums owed to the Charity) were recorded as at 31 March 2023 other than VAT Recoverable from HMRC (£991.05).

t) The Treasurer/Secretary confirmed to the Independent Examiner that she was not aware of any issues (potential legal liabilities, financial or administrative issues) which the Charity faces which could impact upon the future finances or income streams of the Charity.

u) The Annual Return and Accounts for the previous year ended 31 March 2022 (prior to CIO registration) are recorded by the Charity Commission as having been received on 7 December 2022 (within the required due date for submission).

v) I would like to record my appreciation to the Treasurer/Secretary for her assistance during the course of this Examination and for the careful presentation of the Charity's documents for the review.

3. Basis of independent examiner's report.

My examination was carried out in accordance with the applicable Directions given by the Charity Commission.

An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the Treasurer/Secretary to the Charity and Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

4. Independent Examiner's statement.

In connection with my examination:

- a) I confirm that no material matters have come to my attention which gives me cause to believe that in any material respect the accounting records were not kept in accordance with Section 130 of the Charities Act 2011 or the accounts did not accord with the accounting records or comply with the applicable requirements concerning the form and content of accounts.
- b) 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 (other than those matters already listed at item 2 above) in order to enable a proper understanding of the accounts to be reached.

Trevor Brown

Trevor Brown

Chartered Institute of Public Finance and Accountancy

22 June 2023