

**REGISTERED COMPANY NUMBER: CE027569 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1197061**

Report of the Trustees and  
Financial Statements for the Period 13 December 2021 to 31 December 2022  
for  
Discover U

Lewis Smith & Co.  
Chartered Certified Accountants  
The Old Doctor's House  
74 Grange Road  
Dudley  
West Midlands  
DY1 2AW

Contents of the Financial Statements  
for the Period 13 December 2021 to 31 December 2022

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6 to 7
Notes to the Financial Statements	8 to 13
Detailed Statement of Financial Activities	14 to 15

<b>TRUSTEES</b>	Mr D Reynolds (appointed 13.12.21) Ms K Jenkins (appointed 13.12.21) Mr S Mills (appointed 13.12.21) Mr S Smith (appointed 13.12.21)
<b>REGISTERED OFFICE</b>	72 Bridgnorth Road Wollaston West Midlands DY8 3PA
<b>REGISTERED COMPANY NUMBER</b>	CE027569 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	1197061
<b>INDEPENDENT EXAMINER</b>	Lewis Smith & Co. Chartered Certified Accountants The Old Doctor's House 74 Grange Road Dudley West Midlands DY1 2AW

Report of the Trustees  
for the Period 13 December 2021 to 31 December 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 13 December 2021 to 31 December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

## **INCORPORATION**

The charitable company was incorporated on 13 December 2021.

## **OBJECTIVES AND ACTIVITIES**

### **Objectives and aims**

The objects of the CIO are to provide work related experience to adults with some level of learning disability or others similarly disadvantaged because of physical disability.

The charity aims to relieve the needs of disabled people by:

- 1) providing education, training and support for people with a learning disabilities.
- 2) by helping to find work placements and where possible paid work for said people.

Trustees have been advised of their responsibilities regarding the roles and have read the Charity Commission guidance.

### **Significant activities**

The charity runs a tearoom, workshop and retail shop to impart social, emotional and employability skills for those with a learning disability.

## **ACHIEVEMENT AND PERFORMANCE**

### **Charitable activities**

The charity was previously an unincorporated charity and changed its status to a CIO on 13th December 2021. During its first period as a CIO Discover U has further increased the number of members accessing the service compared to the previous year and due to this increased demand we have as planned, opened an additional property in Stourbridge termed DU2. The workshop area opened to members on 17th October 2022 and our shop opened to the public from 29th November 2022.

### **Fundraising activities**

The charity received its first National Lottery payments during the year which totalled a value of £34,023. The next payment is due in January 2023.

## **FINANCIAL REVIEW**

### **Financial position**

The charity was previously an unincorporated charity and changed its status to a CIO on 13th December 2021. At this date the funds of the charity were £128,911.

During the first period to 31st December 2022 the charity received income amounting to £393,107. It has spent £392,582 in pursuit of the charity's objects. Therefore the surplus of funds for the period was £525.

This resulted in the funds of the charity at 31st December 2022 being £129,436.

### **Principal funding sources**

The charity's principle sources of funding come from member income, tearoom income, craft income, donations and grants.

### **Reserves policy**

We ideally look to hold three months of reserves for the charity to cover bills and salaries.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The charity is a Charitable Incorporated Organisation (CIO) and was registered on 13 December 2021.

### **Induction and training of new trustees**

Typically, we would recruit from people who are known to DiscoverU and have some experience relative to our cause. As per our governing document when selecting individuals for appointment any new charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

### **Key management**

The charity is mainly run by its Chief Officer Jennifer Bradley, who is not a trustee of the charity.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on ..... and signed on its behalf by:

.....  
Mr S Smith - Trustee

**Independent examiner's report to the trustees of Discover U ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the period 13 December 2021 to 31 December 2022.

**Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts 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 your 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 your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, 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 Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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)).

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.

Mr Craig Alan Beale  
The Association of Chartered Certified Accountants

Lewis Smith & Co.  
Chartered Certified Accountants  
The Old Doctor's House  
74 Grange Road  
Dudley  
West Midlands  
DY1 2AW

Date: .....

Statement of Financial Activities  
for the Period 13 December 2021 to 31 December 2022

		Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>	Notes			
Donations and legacies	2	8,333	67,467	75,800
Other trading activities	3	314,732	-	314,732
Other income		2,575	-	2,575
<b>Total</b>		<u>325,640</u>	<u>67,467</u>	<u>393,107</u>
<b>EXPENDITURE ON</b>				
Raising funds		220,437	47,467	267,904
<b>Charitable activities</b>				
Other expenses		107,178	17,500	124,678
<b>Total</b>		<u>327,615</u>	<u>64,967</u>	<u>392,582</u>
<b>NET INCOME/(EXPENDITURE)</b>		(1,975)	2,500	525
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward		123,911	5,000	128,911
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>121,936</u>	<u>7,500</u>	<u>129,436</u>

	Notes	Unrestricted fund £	Restricted funds £	Total funds £
<b>FIXED ASSETS</b>				
Tangible assets	7	52,604	7,500	60,104
<b>CURRENT ASSETS</b>				
Stocks	8	500	-	500
Debtors	9	35,314	3,444	38,758
Cash at bank and in hand		36,969	-	36,969
		<hr/> 72,783	<hr/> 3,444	<hr/> 76,227
<b>CREDITORS</b>				
Amounts falling due within one year	10	(3,451)	(3,444)	(6,895)
<b>NET CURRENT ASSETS</b>		<hr/> 69,332	<hr/> -	<hr/> 69,332
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> 121,936	<hr/> 7,500	<hr/> 129,436
<b>NET ASSETS</b>		<hr/> 121,936	<hr/> 7,500	<hr/> 129,436
<b>FUNDS</b>	12			
Unrestricted funds				121,936
Restricted funds				7,500
<b>TOTAL FUNDS</b>				<hr/> 129,436

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 December 2022.

The members have not required the company to obtain an audit of its financial statements for the period ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.



Discover U

Balance Sheet - continued

31 December 2022

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on .....  
and were signed on its behalf by:

.....  
Mr S Smith - Trustee

## 1. ACCOUNTING POLICIES

### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants are credited to the Statement of Financial Activities when received. Grants not yet received for expenditure already incurred are recognised as accrued income to match the related expenditure in the Statement of Financial Activities.

Craft and tea room sales income is credited to the Statement of Financial Activities when received.

Members fees income received through the provision of the charity's services are credited to the Statement of Financial Activities in the period to which it relates.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- Straight line over the period of lease
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 30% on cost

### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### **Taxation**

The charity is exempt from corporation tax on its charitable activities. The small trading exemption applies to the charity's trading activities.

### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Notes to the Financial Statements - continued  
for the Period 13 December 2021 to 31 December 2022

**1. ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Donated goods**

Due to the charity's size, volunteer services are not valued in the financial statements as it is considered that the cost of doing so would be out of proportion to the benefit derived.

**2. DONATIONS AND LEGACIES**

	£
Donations	23,333
Grants	52,467
	<hr/>
	75,800
	<hr/>

Grants received, included in the above, are as follows:

	£
National Lottery Community Fund	37,467
Dudley MBC	15,000
	<hr/>
	52,467
	<hr/>

**3. OTHER TRADING ACTIVITIES**

	£
Craft sales	18,585
Tea room sales	45,016
Member fees	251,131
	<hr/>
	314,732
	<hr/>

**4. NET INCOME/(EXPENDITURE)**

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

	£
Depreciation - owned assets	15,714
Surplus on disposal of fixed assets	(2,119)
	<hr/>

## 5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the period ended 31 December 2022.

### Trustees' expenses

There were no trustees' expenses paid for the period ended 31 December 2022.

## 6. STAFF COSTS

	£
Wages and salaries	268,040
Social security costs	10,277
Other pension costs	3,422
	<hr/>
	281,739
	<hr/> <hr/>

The average monthly number of employees during the period was as follows:

Average number of employees	19
	<hr/> <hr/>

No employees received emoluments in excess of £60,000.

### Key Management Personnel

In the year, the total aggregate costs relating to key management personnel (which is considered to be the charity's Chief Officer) were £33,198. This cost includes gross salary and employers national insurance (no pension contributions made). The Chief Officer is not a trustee of the charity.

## 7. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
Additions	51,156	-	3,177
Disposals	-	-	-
On acquisition	-	4,428	5,134
	<hr/>	<hr/>	<hr/>
At 31 December 2022	51,156	4,428	8,311
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
Charge for year	10,231	205	1,108
Eliminated on disposal	-	-	-
On acquisition	-	3,608	3,877
	<hr/>	<hr/>	<hr/>
At 31 December 2022	10,231	3,813	4,985
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 31 December 2022	40,925	615	3,326
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements - continued  
for the Period 13 December 2021 to 31 December 2022

**7. TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
Additions	14,280	4,262	72,875
Disposals	(3,000)	-	(3,000)
On acquisition	3,000	1,270	13,832
	<hr/>	<hr/>	<hr/>
At 31 December 2022	14,280	5,532	83,707
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
Charge for year	3,570	600	15,714
Eliminated on disposal	(3,000)	-	(3,000)
On acquisition	3,000	404	10,889
	<hr/>	<hr/>	<hr/>
At 31 December 2022	3,570	1,004	23,603
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 31 December 2022	10,710	4,528	60,104
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**8. STOCKS**

	£
Stocks	500
	<hr/> <hr/>

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£
Trade debtors	12,041
Accrued income	20,322
Prepayments	6,395
	<hr/>
	38,758
	<hr/> <hr/>

Notes to the Financial Statements - continued  
for the Period 13 December 2021 to 31 December 2022

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£
Trade creditors	597
Social security and other taxes	3,227
Pension creditor	677
Accrued expenses	2,394
	<hr/>
	6,895
	<hr/>

**11. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	£
Within one year	39,250
Between one and five years	111,750
	<hr/>
	151,000
	<hr/>

**12. MOVEMENT IN FUNDS**

	At 13.12.21 £	Net movement in funds £	At 31.12.22 £
<b>Unrestricted funds</b>			
General fund	123,911	(1,975)	121,936
<b>Restricted funds</b>			
Restricted donations	5,000	2,500	7,500
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	128,911	525	129,436
	<hr/>	<hr/>	<hr/>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	325,640	(327,615)	(1,975)
<b>Restricted funds</b>			
National Lottery Community Fund	37,467	(37,467)	-
Dudley MBC Grants	15,000	(15,000)	-
Restricted donations	15,000	(12,500)	2,500
	<hr/>	<hr/>	<hr/>
	67,467	(64,967)	2,500
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	393,107	(392,582)	525
	<hr/>	<hr/>	<hr/>

**12. MOVEMENT IN FUNDS - continued**

The charity has been in existence as an unincorporated charity since April 2016. In December 2021 it changed its status to a Charitable Incorporated Organisation (CIO). At this date the fund of the unincorporated charity were £128,911 and were transferred into the CIO.

**13. RELATED PARTY DISCLOSURES**

There were no related party transactions for the period ended 31 December 2022.

Detailed Statement of Financial Activities  
for the Period 13 December 2021 to 31 December 2022

£

**INCOME AND ENDOWMENTS**

**Donations and legacies**

Donations	23,333
Grants	52,467
	<hr/>
	75,800

**Other trading activities**

Craft sales	18,585
Tea room sales	45,016
Member fees	251,131
	<hr/>
	314,732

**Other income**

Other income	2,575
	<hr/>

<b>Total incoming resources</b>	393,107
---------------------------------	---------

**EXPENDITURE**

**Other trading activities**

Craft purchases	5,105
Tea room purchases	14,358
Wages	233,202
Social security	8,175
Pensions	3,422
Member costs	3,642
	<hr/>
	267,904

**Support costs**

**Other**

Wages	34,838
Social security	2,102
Rent	23,550
Rates and water	2,184
Heat and light	5,596
Telephone and internet costs	1,302
Postage and stationery	985
Insurance	4,591
Repairs and maintenance	11,805
Motor expenses	1,870
Carried forward	88,823



Detailed Statement of Financial Activities  
for the Period 13 December 2021 to 31 December 2022

	£
<b>Other</b>	
Brought forward	88,823
Travelling expenses	3,027
Computer and IT expenses	1,471
Cleaning	4,361
Training costs	643
Refreshments	2,494
Bank charges and interest	1,612
Accountancy	2,819
Legal and professional fees	759
Bad debts	2,320
Sundry expenses	2,754
Improvements to property	10,231
Plant and machinery	205
Fixtures and fittings	1,108
Motor vehicles	3,340
Computer equipment	830
Loss on sale of tangible fixed assets	(2,119)
	<hr/>
	124,678
	<hr/>
Total resources expended	392,582
	<hr/>
<b>Net income</b>	525
	<hr/> <hr/>