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Report of the Trustees and
Financial Statements for the Year Ended 31 December 2023
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 Year Ended 31 December 2023

	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 15
Detailed Statement of Financial Activities	16 to 17

TRUSTEES

Mr D Reynolds
Ms K Jenkins
Mr S Mills
Mr S Smith

REGISTERED OFFICE

72 Bridgnorth Road
Wollaston
West Midlands
DY8 3PA

**REGISTERED COMPANY
NUMBER**

CE027569 (England and Wales)

REGISTERED CHARITY NUMBER 1197061

INDEPENDENT EXAMINER

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 Year Ended 31 December 2023

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 year ended 31 December 2023. 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).

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.

Significant activities

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

Charity Commission guidance on public benefit

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

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The charity has further increased the number of members accessing the service compared to last year by virtue of opening DU2 in Stourbridge and also adding members in Wollaston. The member numbers at the end of December was 88, which translates to 1,158 hours of support per week.

The charity has acquired the lease on an additional property at 68 High Street, Wollaston to serve as a life skills centre for a twelve month period from April 2023, with intent to increase to a longer term agreement in 2024.

Achievements against objectives set

DU2 continues to develop. It has successfully increased the number of members and successfully opened an IT suite.

The agreement of new lease at 68 High Street, Wollaston as mentioned above.

Performance of fundraising activities against objectives set

The final lottery payment due in January 2024 and the charity received a £25k award from Eveson trust during the year.

FINANCIAL REVIEW

Financial position

During the year ended 31st December 2023 the charity received income amounting to £445,232 (2022 - £393,107) and had expenditure incurred in pursuit of the charity's objects of £439,293 (2022 - £392,582).

Therefore, the charity's surplus for the year was £5,939 (2022 - £525) and at the year end date the funds of the charity were £135,375 (2022 - £128,911).

Based on the above the trustees are satisfied that the charity has showed that it has a stable financial income with no deficits and looks stable for the coming year.

Principal funding sources

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

FINANCIAL REVIEW

Reserves policy

We ideally look to hold three months of reserves for the charity to cover bills and salaries. At the year end the reserves of the charity were equal to around 3.5 months of expenses. Our reserves continue to be maintained at similar levels to the previous year.

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.

Trustees Information

The names of the trustees are listed on page one within Reference and Administrative Details.

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 year ended 31 December 2023.

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 ACCA
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 Year Ended 31 December 2023

				Year Ended 31.12.23 Total funds £	Period 13.12.21 to 31.12.22 Total funds £
	Notes	Unrestricted fund £	Restricted funds £		
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	9,525	72,642	82,167	75,800
Other trading activities	3	361,614	-	361,614	314,732
Other income		1,451	-	1,451	2,575
Total		<u>372,590</u>	<u>72,642</u>	<u>445,232</u>	<u>393,107</u>
EXPENDITURE ON					
Trading activities		238,589	48,892	287,481	267,904
Charitable activities					
Other expenses		146,437	5,375	151,812	124,678
Total		<u>385,026</u>	<u>54,267</u>	<u>439,293</u>	<u>392,582</u>
NET INCOME/(EXPENDITURE)		(12,436)	18,375	5,939	525
RECONCILIATION OF FUNDS					
Total funds brought forward		121,936	7,500	129,436	128,911
TOTAL FUNDS CARRIED FORWARD		<u>109,500</u>	<u>25,875</u>	<u>135,375</u>	<u>129,436</u>

	Notes	Unrestricted fund £	Restricted funds £	31.12.23 Total funds £	31.12.22 Total funds £
FIXED ASSETS					
Tangible assets	8	46,839	5,625	52,464	60,104
CURRENT ASSETS					
Stocks	9	800	-	800	500
Debtors	10	43,003	-	43,003	38,758
Cash at bank and in hand		25,811	20,250	46,061	36,969
		<u>69,614</u>	<u>20,250</u>	<u>89,864</u>	<u>76,227</u>
CREDITORS					
Amounts falling due within one year	11	(6,953)	-	(6,953)	(6,895)
NET CURRENT ASSETS		<u>62,661</u>	<u>20,250</u>	<u>82,911</u>	<u>69,332</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>109,500</u>	<u>25,875</u>	<u>135,375</u>	<u>129,436</u>
NET ASSETS		<u>109,500</u>	<u>25,875</u>	<u>135,375</u>	<u>129,436</u>
FUNDS	13				
Unrestricted funds				109,500	121,936
Restricted funds				25,875	7,500
TOTAL FUNDS				<u>135,375</u>	<u>129,436</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2023 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 2023

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 Year Ended 31 December 2023

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

	Year Ended 31.12.23 £	Period 13.12.21 to 31.12.22 £
Donations	9,525	23,333
Grants	72,642	52,467
	<u>82,167</u>	<u>75,800</u>

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

	Year Ended 31.12.23 £	Period 13.12.21 to 31.12.22 £
National Lottery Community Fund	44,142	37,467
Dudley MBC	-	15,000
DPD Community Fund	2,500	-
Evesson Trust	25,000	-
Christmas Fund	1,000	-
	<u>72,642</u>	<u>52,467</u>

3. OTHER TRADING ACTIVITIES

	Year Ended 31.12.23 £	Period 13.12.21 to 31.12.22 £
Craft sales	13,725	18,585
Tea room sales	45,464	45,016
Member fees	302,425	251,131
	<u>361,614</u>	<u>314,732</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

4. NET INCOME/(EXPENDITURE)

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

	Year Ended 31.12.23 £	Period 13.12.21 to 31.12.22 £
Depreciation - owned assets	17,482	15,714
Surplus on disposal of fixed assets	-	(2,119)
	<u>17,482</u>	<u>(2,119)</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the period ended 31 December 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2023 nor for the period ended 31 December 2022.

6. STAFF COSTS

	Year Ended 31.12.23 £	Period 13.12.21 to 31.12.22 £
Wages and salaries	284,263	268,040
Social security costs	11,674	10,277
Other pension costs	3,875	3,422
	<u>299,812</u>	<u>281,739</u>

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

	Year Ended 31.12.23	Period 13.12.21 to 31.12.22
Average number of employees	<u>20</u>	<u>19</u>

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 £34,329 (2022 - £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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

8. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 January 2023	51,156	4,428	8,311
Additions	9,076	-	766
At 31 December 2023	60,232	4,428	9,077
DEPRECIATION			
At 1 January 2023	10,231	3,813	4,985
Charge for year	12,046	154	944
At 31 December 2023	22,277	3,967	5,929
NET BOOK VALUE			
At 31 December 2023	37,955	461	3,148
At 31 December 2022	40,925	615	3,326

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

8. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2023	14,280	5,532	83,707
Additions	-	-	9,842
	<hr/>	<hr/>	<hr/>
At 31 December 2023	14,280	5,532	93,549
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 January 2023	3,570	1,004	23,603
Charge for year	2,678	1,660	17,482
	<hr/>	<hr/>	<hr/>
At 31 December 2023	6,248	2,664	41,085
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 December 2023	8,032	2,868	52,464
	<hr/>	<hr/>	<hr/>
At 31 December 2022	10,710	4,528	60,104
	<hr/>	<hr/>	<hr/>

9. STOCKS

	31.12.23 £	31.12.22 £
Stocks	800	500
	<hr/>	<hr/>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.23 £	31.12.22 £
Trade debtors	12,823	12,041
Accrued income	19,138	20,322
Prepayments	11,042	6,395
	<hr/>	<hr/>
	43,003	38,758
	<hr/>	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.23	31.12.22
	£	£
Trade creditors	87	597
Social security and other taxes	3,585	3,227
Pension creditor	761	677
Accrued expenses	2,520	2,394
	<u>6,953</u>	<u>6,895</u>

12. LEASING AGREEMENTS

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

	31.12.23	31.12.22
	£	£
Within one year	37,750	39,250
Between one and five years	74,000	111,750
	<u>111,750</u>	<u>151,000</u>

13. MOVEMENT IN FUNDS

	At 1.1.23	Net movement in funds	At 31.12.23
	£	£	£
Unrestricted funds			
General Fund	121,936	(12,436)	109,500
Restricted funds			
National Lottery Community Fund	-	1,500	1,500
Restricted Donations Fund	7,500	(1,875)	5,625
Evesson Trust Fund	-	18,750	18,750
	<u>7,500</u>	<u>18,375</u>	<u>25,875</u>
TOTAL FUNDS	<u>129,436</u>	<u>5,939</u>	<u>135,375</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

13. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	372,590	(385,026)	(12,436)
Restricted funds			
National Lottery Community Fund	44,142	(42,642)	1,500
Restricted Donations Fund	-	(1,875)	(1,875)
DPD Community Fund	2,500	(2,500)	-
Evesson Trust Fund	25,000	(6,250)	18,750
Christmas Fund	1,000	(1,000)	-
	<hr/> 72,642	<hr/> (54,267)	<hr/> 18,375
TOTAL FUNDS	<hr/> <hr/> 445,232	<hr/> <hr/> (439,293)	<hr/> <hr/> 5,939

Comparatives for movement in funds

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

13. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

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

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.

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2023.

Detailed Statement of Financial Activities
for the Year Ended 31 December 2023

	Year Ended 31.12.23 £	Period to 31.12.22 £	13.12.2	1
INCOME AND ENDOWMENTS				
Donations and legacies				
Donations	9,525	23,333		
Grants	72,642	52,467		
	<hr/> 82,167	<hr/> 75,800		
Other trading activities				
Craft sales	13,725	18,585		
Tea room sales	45,464	45,016		
Member fees	302,425	251,131		
	<hr/> 361,614	<hr/> 314,732		
Other income				
Other income	1,451	2,575		
	<hr/>	<hr/>		
Total incoming resources	445,232	393,107		
EXPENDITURE				
Other trading activities				
Craft purchases	6,017	5,105		
Tea room purchases	16,195	14,358		
Wages	248,505	233,202		
Social security	9,598	8,175		
Pensions	3,875	3,422		
Member costs	3,291	3,642		
	<hr/> 287,481	<hr/> 267,904		
Support costs				
Other				
Wages	35,758	34,838		
Social security	2,076	2,102		
Rent	39,807	23,550		
Rates and water	2,959	2,184		
Heat and light	11,009	5,596		
Telephone and internet costs	1,858	1,302		
Carried forward	93,467	69,572		

Detailed Statement of Financial Activities
for the Year Ended 31 December 2023

		Period	
	Year Ended	to	13.12.2
	31.12.23	31.12.22	1
	£	£	
Other			
Brought forward	93,467	69,572	
Postage and stationery	660	985	
Insurance	7,001	4,591	
Repairs and maintenance	6,982	11,805	
Motor expenses	848	1,870	
Travelling expenses	1,869	3,027	
Computer and IT expenses	1,091	1,471	
Equipment hire	346	-	
Cleaning	5,298	4,361	
Training costs	228	643	
Refreshments	4,881	2,494	
Bank charges and interest	2,833	1,612	
Subscriptions	96	-	
Accountancy	3,206	2,819	
Legal and professional fees	534	759	
Bad debts	2,069	2,320	
Sundry expenses	2,921	2,754	
Improvements to property	12,046	10,231	
Plant and machinery	154	205	
Fixtures and fittings	944	1,108	
Motor vehicles	2,678	3,340	
Computer equipment	1,660	830	
Loss on sale of tangible fixed assets	-	(2,119)	
	<hr/>	<hr/>	
	151,812	124,678	
	<hr/>	<hr/>	
Total resources expended	439,293	392,582	
	<hr/>	<hr/>	
Net income	<u>5,939</u>	<u>525</u>	