

**SEAHAM YOUTH CENTRE**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDING**

**31<sup>ST</sup> DECEMBER 2016**

**CHARITY NO. 1163327**

## **OVERVIEW**

- 1.1. Seaham Youth Centre is a Charitable Incorporated Organisation (CIO) and is governed through the Charities Act 2011 and a constitution document (dated 27th March 2014) with voting members other than its charity trustees.
- 1.2. The charity trustees shall manage the affairs of the CIO and have appointed a part time administrator to manages the Youth Centre on a day to day basis.
- 1.3. The charity trustees must comply with the requirements of the Charities Act 2011 with regard to keeping of accounting records etc.
- 1.4. The aims and objectives of the Youth Centre is to help young people through leisure time activities so as to develop their physical, mental and spiritual capacities that they may grow to full maturity as individuals and members of society that their conditions of life may be improved.
- 1.5. During the year the Youth Centre received income of £30,853 mainly from lettings. Expenditure for the year was £19,505, majority of payments are for the running of the Centre such as utilities. There was a surplus for the year of £11,348. Some adjustments were made to the records held.
- 1.6 The Fund Balance of £27,168 reconciled to the Bank Statement and the petty cash held as at 31<sup>st</sup> December 2016

## **Independent Examiners Report**

- 2.1. I (Gordon Fletcher, C.M.I.I.A.) have reported on the accounts of Seaham Youth Centre for the calendar year ending 31<sup>st</sup> December 2016.
- 2.2. This report is in respect of an examination carried out in accordance with the Charities Act 2011.
- 2.3. The examination includes a review of the accounting records kept by the trustees, including a review of the accounts and making such enquiries as are necessary for the purpose of this report.
- 2.4. Based on my examination, systems and procedures have improved with appointment of an Administrator, however improvements are necessary to provide full assurance to the systems in place and recommendations are shown in the internal report, no fraudulent activity is suspected. No other matter has come to my attention, and the accounts presented do accord with the accounting requirements of the Charities act 2011.



Gordon Fletcher (C.M.I.I.A.)

Independent Auditor

Date: 27<sup>th</sup> February 2017

The Trustees (Management Committee) are responsible for maintaining proper accounting records, which disclose with reasonable accuracy the financial position of the Charity. This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued March 2005).

This report has been approved by the Trustees (Management Committee) at the Management Committee meeting on .....

**Income and expenditure records for Seaham Youth Centre for period ending 31<sup>st</sup> December 2016**

|   |                   |
|---|-------------------|
| <b>Opening Fund Balance as at 1<sup>st</sup> January 2016</b>   | <b>= £ 15,820</b> |
| <b>Income during the year</b>                                   | <b>= £ 30,853</b> |
| <b>Expenditure during the year</b>                              | <b>= £ 19,505</b> |
| <b>Surplus for the year</b>                                     | <b>= £ 11,348</b> |
| <b>Closing Fund Balance as at 31<sup>st</sup> December 2016</b> | <b>= £ 27,168</b> |

**For details of breakdown of income and expenditure, see next pages.**

**Reconciliation to Bank Statement as at 31<sup>st</sup> December 2016**

|  |                   |
|--|-------------------|
| <b>Closing Bank Balance</b>                  | <b>= £ 27,322</b> |
| <b>Closing Petty cash balance</b>            | <b>= £ 5</b>      |
| <b>Add income banked after 31st December</b> | <b>= £ 0</b>      |
| <b>Less unpresented cheques</b>              | <b>= £ 159</b>    |
| <b>Reconciled Balance</b>                    | <b>= £ 27,168</b> |

## **Breakdown of income**

|                         |          |                        |
|-------------------------|----------|------------------------|
| <b>DCC</b>              | <b>=</b> | <b>£ 1,146</b>         |
| <b>Donations</b>        | <b>=</b> | <b>£ 50</b>            |
| <b>Room Hire (Rent)</b> | <b>=</b> | <b>£ 21,563</b>        |
| <b>Membership</b>       | <b>=</b> | <b>£ 284</b>           |
| <b>Tuck Shop</b>        | <b>=</b> | <b>£ 1,077</b>         |
| <b>Miscellaneous</b>    | <b>=</b> | <b>£ 3,944</b>         |
| <b>Clubs</b>            | <b>=</b> | <b>£ 2,664</b>         |
| <b>Membership</b>       | <b>=</b> | <b><u>£ 125</u></b>    |
| <b>TOTAL</b>            | <b>=</b> | <b><u>£ 30,853</u></b> |

### **Breakdown of Expenditure**

|   |                          |
|---|--------------------------|
| <b>Heat and Light</b>                   | <b>= £ 8585</b>          |
| <b>Rent and Rates</b>                   | <b>= £ 3532</b>          |
| <b>Waste and Cleaning</b>               | <b>= £ 838</b>           |
| <b>Telephone, Fax and Internet</b>      | <b>= £ 869</b>           |
| <b>Postage, Printing and Stationery</b> | <b>= £ 1091</b>          |
| <b>Accountant</b>                       | <b>= £ 300</b>           |
| <b>Tuck</b>                             | <b>= £ 606</b>           |
| <b>Maintenance and Renewals</b>         | <b>= £ 46</b>            |
| <b>Clubs</b>                            | <b>= £ 247</b>           |
| <b>Insurance</b>                        | <b>= £ 1912</b>          |
| <b>Miscellaneous</b>                    | <b>= <u>£ 1479</u></b>   |
| <b>TOTAL</b>                            | <b>= <u>£ 19,505</u></b> |

## FUNDING ANALYSIS

### RESTRICTED FUNDS

|               | <b>Balance</b>  | <b>Receipts</b>    | <b>Expenditure</b> | <b>Transfer</b> | <b>Balance</b>    |
|---------------|-----------------|--------------------|--------------------|-----------------|-------------------|
|               | <b>@ 1/1/16</b> | <b>During year</b> | <b>During year</b> |                 | <b>@ 31/12/16</b> |
| <b>SANDS</b>  | <b>969</b>      | <b>154</b>         | <b>0</b>           |                 | <b>1,123</b>      |
| <b>SPLATT</b> | <b>1,636</b>    | <b>0</b>           | <b>0</b>           |                 | <b>1,636</b>      |
| <b>BOXING</b> | <b>2,521</b>    | <b>0</b>           | <b>0</b>           |                 | <b>2,521</b>      |
| <b>Total</b>  | <b>5,126</b>    | <b>154</b>         |                    |                 | <b>5,280</b>      |

### UNRESTRICTED FUNDS

|                     |                |               |               |  |                      |
|---------------------|----------------|---------------|---------------|--|----------------------|
| <b>Total</b>        | <b>10,694</b>  | <b>30,699</b> | <b>19,505</b> |  | <b>21,888</b>        |
| <b>Fund balance</b> | <b>£15,820</b> | <b>30,853</b> | <b>19,505</b> |  | <b><u>27,168</u></b> |

# **AUDIT REPORT**

## **Seaham Youth Centre 2016 Annual Accounts**

**CONFIDENTIAL**



## **INTRODUCTION**

1. An audit was carried out on the accounts of the Seaham Youth Centre for 2016.
2. This audit is completed along with a review of the current systems in place so as to rely on the information provided for the accounts.

### **OBJECTIVES OF THE AUDIT**

The objective of my review was to:

- To produce a set of accounts for 2016 to be submitted to the Management committee for approval.
- To examine the systems in place on producing the information for the accounts.

### **SCOPE OF THE AUDIT WORK**

3. The scope of the audit involved examining the accounts and the systems in place to ensure that the information contained in the accounts is correct.
4. This report is intended to present to management the observations and conclusions of the audit. Wherever possible the observations and recommendations have been discussed with members of staff and their views taken into account.

## **5. SUMMARY OF AUDIT WORK CARRIED OUT**

- 5.1. During the year new financial procedures were put in place so as to record all income and expenditure on Day Book spreadsheets, with manual records held to show the collection of cash received daily.

### **INCOME**

- 5.2. The income recorded in the Day Book spreadsheet showed the amount of income received whether by cash or cheque along with any Direct debits from the bank statement. It was found that the spreadsheet records were incomplete as records for December were not included and there was no adequate audit trail showing the income recorded on the spreadsheet to the amounts banked. Therefore, the manual records were used for producing the accounts and these were found to be accurate.

### **EXPENDITURE**

- 5.3. The expenditure recorded in the Day Book Spreadsheet showed all cash and cheque payments and all were properly recorded.
- 5.4. Voucher sheets (with receipts attached) are completed for all cheque expenditure and direct debits giving details of the expenditure and are given a voucher number and show either the cheque number or if it is a Direct Debit and the expenditure heading is recorded. As with the previous audit the blocks for approval and authorisation are not being completed. Cheques are signed by 2 from 3 authorised signatories.
- 5.5. On examining the expenditure records, there were vouchers completed for all expenditure with receipts attached.

### **BANK RECONCILIATION**

- 5.6. There is no evidence that proper bank reconciliations have been carried out during the year where the income and expenditure records are reconciled to the bank statements when they are received. However, the income and expenditure records did reconcile to the bank statement and petty cash held as at 31<sup>st</sup> December 2016.

### **PETTY CASH**

- 5.7. During the year a petty cash system has been set up so as expenditure is not taken from the income received, and therefore all income received had been banked. The system was examined

and found to be working satisfactory with the petty cash float topped up from the bank account and a voucher system set up where all expenditure had been properly approved, however, no signature is obtained on receipt of the cash. On examining the vouchers only a couple of minor errors occurred which were not considered significant.

#### **ACCOUNTING STATEMENTS**

- 6.1. Where possible income and expenditure records for 2016 were examined and financial statements produced. It was confirmed from last year that the petty cash balance as at 1<sup>st</sup> January 2016 was 0.
- 6.2. The accounting records (Income and Expenditure Day Books) for 2016 did reconcile to the bank statement and the petty cash held at 31<sup>st</sup> December 2016.

#### **7. CONCLUSIONS**

- 7.1. There has been a significant improvement in the record keeping of the accounts during the year, however, improvements can still be made and recommendations are shown below.

#### **8. RECOMMENDATIONS**

- 8.1 That the Income Day Book spreadsheet should show all income collected (cheque and cash) and the amount to be banked, which should be confirmed to the bank statement.
- 8.2. Proper bank reconciliations should be carried out and verified by the Management Committee, when bank statements are received.
- 8.3. Proper financial procedures should be completed for the Youth Centre (General procedures were provided last year from Durham County Council Internal Audit section).
- 8.4. All expenditure should be authorised before cash or cheque payment is made by one of the cheque signatories by initialling the expenditure (voucher) sheet.
- 8.5 When receiving the cash from petty cash the person receiving the cash should sign the voucher as confirmation that they have received the cash.



**Gordon Fletcher**

**Internal Auditor**

**Date: 25<sup>th</sup> February 2017**