



Third Sector
Accountancy Ltd

Chartered Accountants
and Registered Auditors

InspirAlba Limited

Audit Management letter

Audit for the year ended 30th September 2025

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Registered to carry on audit work
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Introduction for Trustees

This is our report to management following the audit of the financial statements for the year ended 30th September 2024. The primary purpose of the audit is to give an audit opinion on the financial statements, and the opinion is stated in the audit report included in the financial statements.

The audit proceeded as planned and according to the agreed timetable. We are pleased to confirm that the audit opinion will be unqualified. An unqualified audit report means that:

- we obtained adequate audit evidence to support the assertions in the financial statements
- we are satisfied that the books and records are in agreement with the financial statements
- we received all the information and explanations we considered necessary for the audit
- we are satisfied with the adequacy of the disclosures in the notes to the financial statements
- the management committee’s annual report is consistent with the financial statements.

We gave an outline of our approach to the audit in our Audit Approach document sent to you previously.

As detailed in the audit approach document, we will require you to confirm that you do not wish the items in Appendix C to be adjusted and confirm your reasons for this in the letter of representations.

We would like to express our thanks to the management team and staff for all their help with the audit.

The contents of this report and appendices are for the attention and information of the management committee and managers only. You may only disclose the contents of this letter and appendices to third parties (such as funders) with our permission and we cannot be held liable for any reliance placed on the contents by third parties.

If you would like to discuss the contents of this report or any aspects of your audit, then please do contact Patrick Morrello or Abbas Shapuri.

Independence and objectivity



The factors affecting our objectivity and independence were detailed in our audit approach document. No new factors have come to our attention. We can confirm that we have maintained sufficient independence and objectivity in performing our work, and that we have complied with the Ethical Standards for Auditors.

Key audit risks

Risks	Audit work and conclusion
Significant Risks	
<p>Income recognition - Cut off and occurrence:</p> <p>Income recognition for grants and contracts under FRS102 Charity SORP is generally considered to be a significant risk. This is due to the fact that income recognition, particularly on grants, can be subject to judgment and often requires a detailed understanding and appropriate interpretation of FRS102 Charity SORP.</p> <p>From planning procedures performed key risks were noted in respect of:</p> <p>1- The recognition of grant income under the performance model per FRS102 Charity SORP. 1a- The recognition of multi year grants under the performance model per FRS102 Charity SORP.</p>	<p>Income recognition policy has been reviewed in line with FRS102 (SORP) and samples across all income streams have been tested and ensure correct accounting treatment.</p> <p>Key audit conclusions reached as per below:</p> <ul style="list-style-type: none"> - A prior period error was noted whereby material income relating to the previous year was recognised in the current year. This has been amended. - Other than the above, testing was satisfactory.
<p>Income classification (restricted vs unrestricted income)</p>	<p>A sample of grants and contracted income have been reviewed and tested to ensure correct allocation between restricted/unrestricted funds.</p> <p>Whilst an audit adjustment was raised, the testing was satisfactory post the adjustment.</p>
Risks	Audit work and conclusion
Medium Risks	



<p>Restricted Funds: Allocation of expenditure</p>	<p>In addition, the expenditure that has been allocated against funds has been reviewed, and on a sample basis, agreed back to Xero, spending reports and original grant agreements where necessary.</p> <p>No issues were noted.</p>
<p>Completeness of liabilities</p>	<p>Completeness of liabilities testing was performed which included:</p> <ul style="list-style-type: none"> - Review of post-year-end payments/purchase invoices - Creditor confirmations - Review of board minutes <p>TSA identified a creditor balance owed to Fyne Homes whereby Fyne Homes had not sent the invoices but the amount related to the current year. The amount was not material.</p>
<p>Fraud Risk:</p> <p>We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to:</p> <ul style="list-style-type: none"> • Posting manual journal entries to manipulate financial performance, including the treatment of deferred income being inconsistent with FRS102 SORP income recognition and the treatment of the redundancy costs incurred in the year; and • Management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions. 	<ul style="list-style-type: none"> • Making enquiries of management and those charged with governance on whether they had any knowledge of any actual, suspected or alleged fraud; • Gaining an understanding of the internal controls established to mitigate risks related to fraud; • Discussing amongst the engagement team the risks of fraud; • Addressing the risks of fraud through management override of controls by performing journal entry testing; and • Challenging assumptions and judgments made by management, including reviewing management’s recognition of income in line with FRS102 SORP. <p>No Issues were noted.</p>
<p>Related parties</p>	<p>TSA obtained declaration of interests from Trustees and Key Management Personnel to ascertain whether there were any unidentified related parties’ transactions that required disclosure in line with the Charity SORP.</p> <p>Some additional related party disclosures were requested by TSA following our testing.</p>

Audit recommendations

The points we make here are some matters we felt would be useful to bring to your attention. The primary purpose of the audit is to form the audit opinion, and the points we make here have come to our attention during the audit. They should not be taken as an exhaustive list of improvements that could be made.

We hope that the recommendations are practical and can be implemented. We ask that you discuss the points at a management committee meeting. We welcome comments and would appreciate a written response detailing action and implementation.

Issue	Implication	Recommendation
Each tracking category did not correspond to an individual restricted fund.	It can become quite hard to track individual restricted funds which then need to be disclosed in the statutory accounts.	Ensure that each tracking category corresponds to a single restricted fund and all income and expenditure for this corresponding funds is included within there.
No formal management review control over grant income recognition	Lack of review increases the risk of incorrect revenue recognition, leading to potential misstatements and audit adjustments.	Implement a formal management review process for all grant income recognition decisions to ensure appropriate classification and timing. TSA are happy to provide a template regarding this and talk through this further.
No formal agreement in regards to Just Enterprise exists	Limited audit trail to support income recognition.	Ensure a signed agreement is in place where possible.
Monitor VAT turnover including reverse charges to ensure you don't go above the threshold.		

Amendments to the financial statements

As part of the audit we identified items which, either on their own or cumulatively, were of sufficient significance that without adjustment the statutory accounts would have contained material errors. As such we have adjusted the draft accounts for these items. In approving the final financial statements you confirm that you agree with these adjustments.

The detail of these adjustments is included in Appendix A.

Immaterial unadjusted items

During the audit we identified other potential non-trivial adjustments, but which are not material. These unadjusted items are included as Appendix B.

As management committee who are responsible for the preparation of the financial statements, you are responsible for reviewing the unadjusted items and confirming that no adjustments are required to the financial statements in the letter of representations.

Appendix A
Audit Adjustments to the draft accounts

This is a summary of the adjustments made to the financial statements during the course of the audit process

Surplus/ (deficit) per draft accounts **261,835**

Audit Journals				
Audit Journals	SOFA/BS	Debit	Credit	Effect on surplus/(deficit)
1 Accrued income adjustment				
<i>Description: Adjusting the income that related to the previous year into the PY.</i>				
Dr Income	SOFA	58,201		(58,201)
Cr Retained Earnings	BS		58,201	-
2 Related party amendments				
<i>Description: Amendement the related parties note to include various related party transactions.</i>				
Disclosure only				
3 Restricted fund disclosure				
<i>Description: The restricted fund note did not include the breakdown of the restricted funds balance. This has now been included for both prior year and current year.</i>				
Disclosure only				
4 Additional £500 disclosure - No One Left Behind				
<i>Description: This balance was deemed to be restricted rather than unrestricted. An adjustment has been made.</i>				
Disclosure only				
5 Directors' remuneration note				
<i>Description: Amended figure to ensure it reconciles with payroll workings.</i>				
Disclosure only				

Surplus/ (deficit) per audited accounts **203,634**

Appendix B
Immaterial Unadjusted Items

This is a summary of the other potential non-trivial adjustments which have not been adjusted in the financial statements

Surplus/ (deficit) per final audited accounts **203,634**

Draft Journals	SOFA/BS	Debit	Credit	Effect on surplus/(deficit)
1 Missed accrual				
<i>TSA noted that there were £2,100 General Admin costs relating to pre-year end dates.</i>				
Dr Expenditure	SOFA	2,100		(2,100)
Cr Accruals	BS		2,100	-
2 Supplier creditor balance understated				
<i>TSA noted that there were £2,000 subcontractor costs relating to pre-year end dates.</i>				
Dr Expenditure	SOFA	2,000		(2,000)
Cr Accruals	BS		2,000	-
2 Reconciling difference in payroll				
<i>Difference between expected payroll and actual</i>				
Dr Payroll expenses	SOFA	7,283		(7,283)
Cr Payroll Liability	BS		7,283	-

Revised Surplus/(Deficit) if adjustments above were made **192,251**