

Independent Examination Notes
Squires Cottages
Year Ending 31st March 2024

Direction 1: Check whether the charity is eligible to have an independent examination

The examiner must check to see if the charity is permitted to have an independent examination or whether it is required to have an audit by charity or company law or for any other reason. If the trustees have chosen to prepare the accounts on a receipts and payments basis, the examiner must check that the charity is eligible for receipts and payments accounts.

The charity is registered at the charities commission under the number 206068, its objectives are to provide a village hall.

Its governing document is a conveyance dated 21 Oct 47 as amended by scheme dated 24 Mar 99.

It is now managed by 1 trustee, Bury Parish Council appointed on 21 October 1947.

Key Stats

	2024	2023	2022	2021	2020
Gross assets	£144,161	£123,459			
Net Assets	£144,161	£123,459			
Income	£27,425	£23,720	£22,080	£22,090	£19,160
Expenditure	£6,723	£8,050	£16,310	£4,660	£44,950

A charity is required to have an audit for financial years ending on or after 31 March 2015 if either its gross income exceeds £1m, or its gross income exceeds £250,000 and the gross assets (not net assets) exceeds £3.26m.

If the gross income for the year is £25,000 or less, an independent examination is not required, but the trustees may decide to have one if they wish.

If the gross income of the charity exceeds £250,000, then only persons who are members of one of the listed bodies can undertake the examination

If the charity is not a charitable company (a charitable company incorporated under company law) then receipts and payments accounts may be prepared provided that the gross income is £250,000 or less and accruals accounts are not required by the charity's governing document, a condition of funding, or for any other reason. If the receipts and payments option is not available or has not been taken then accruals accounts must be prepared following the applicable SORP.

Independent examination eligible by member of a professional body – **Receipts & Payments basis because income is less than £250k and not a charitable company**. Trustees have not requested an audit. Mulberry & Co are registered statutory auditors and members of the ACCA.

Conclusion:

Independent examination eligible – as income below £1m and assets below £3.26m.

Receipts and Payments may be used with independent examination

Direction 2: Check for any conflict of interest that prevents the examiner from carrying out their independent examination.

The examiner must not be influenced, or perceived to be influenced, by either close personal relationship with the trustees of the charity, being a major donor or having control or significant influence over a major funder to the charity, or through day to day involvement in the administration of the charity being examined. The examiner must ensure that there are no matters and no potential matters that would reasonably give rise to a perception of their independence that would affect their ability to carry out the examination in a wholly objective manner.

There are no known conflicts or related party transactions. We have no professional or personal relationships with the trustees. We do not carry out any other professional assignments for this client.

Conclusion:

There are no conflicts of interest and no associations that prevent us from undertaking this assignment.

Direction 3: Record your independent examination.

The examiner must keep a record of their examination and the conclusions reached which is sufficient to allow a third party unconnected with their work to conclude that they have followed the Directions (including Directions 1 and 2)

Work undertaken:

- Workings completed to check accounts with accounting records, bank statements.
- Review of underlying Nominal data
- All information required for examination was available within the accounting records. No need to seek additional information.

Working papers are kept in the client folder electronically and backed up to our main cloud server. All access is via password.

There were no errors that required adjustment within the accounts.

The accounts did not contain large numbers of adjusting entries

Conclusion:

Our workings and conclusion contained in this report are supported by working papers held on file.

Direction 4: Plan the independent examination.

In order to plan the specific examination procedures, appropriate to the circumstances of the charity, the examiner must review:

- the charity's constitution
- the way the organisation is controlled and managed
- whether action has been taken on any previous recommendations for improvement
- the accounting records and systems
- the charity's structure, its funds and how fund balances changed in the year
- the charity's activities in the year and spending and the financial risks the charity faces

Research carried out to understand the objectives of the charity, reviewed Trustees' Annual Return and information contained on the Charities Commission website. There has been no change in the nature and scope of the charities activities in the year under review.

The charity exists to rent out the Squires Cottages properties and the income to be reinvested for the benefit of the village hall. The 2 cottages would appear to have a market value of roughly between £500k-£750k in total and were gifted from a private owner in 1947. Each cottage is rented out at £900 per month.

The charity is financially controlled by Bury Parish Council.

There have been no incidences in the past of error or misstatement. Staff turnover is not high.

There are usually circa 50 transactions in total covering both income and expenditure – all transactions are recorded on RBS bookkeeping package.

The records are neat and tidy and easy to follow. Sample testing of randomly selected items will be undertaken.

Conclusion:

My opinion is that inherent risk of error or misstatement is low.

Direction 5: Check that accounting records are kept to the required standard.

The examiner must ensure that accounting records have been kept in compliance with the relevant legislative requirements.

Accounting records are kept on computerised RBS system. No change year on year.

The accounting records are easy to follow and are up to date; there is evidence of bank reconciliations being carried out correctly, performed at least annually.

The charity has circa 50 transactions per annum. There are no staff or overheads. The majority of income is rental income in respect of the cottages.

There is no evidence to suggest the excel files are not in compliance with any legislative requirements. Indeed, the small number of physical transactions lend itself to a simple transparent style of reporting. We would not recommend any change.

Conclusion:

My opinion is that the charity is keeping the correct records for a charity of this size.

Direction 6: Check that the accounts are consistent with the accounting records.

The examiner must compare the accounts of the charity with the charity's accounting records in sufficient detail to reasonably conclude that the accounts are not materially inconsistent with the accounting records.

- Income resources – £27,425 (2023: £23,720) – Rent £22,680
- The nature and scope of income has not changed year on year.
- In total there were 24 recorded receipts of rent in the year, plus monthly bank interest. There was no other income.
- The accounts match the underlying records exactly.
- Resources Expended – £6,723 (2023: £8,050) This comprises £1,720 grants paid out and the remainder on costs of maintaining the properties.

- The accounts match the underlying records exactly.
- Bank & Investment Balances £144,161 (2023: £123,459) – I have verified the year end bank reconciliation.
- Balances on the accounts are reconcilable to the underlying records.

Conclusion: Balances on the accounts are reconcilable to the underlying records

Direction 7: If the accounts are prepared on an accruals basis and one or more related party transactions took place the examiner must check if these were properly disclosed in the notes to the accounts.

The examiner must check that the trustees have considered if there were any related party transactions in the reporting period and check whether the trustees have made the disclosures required by the applicable Statement of Recommended Practice (SORP) in the notes to the accounts.

Not applicable – receipts and payments basis accounts

Direction 8

Check the reasonableness of the significant estimates and judgments and accounting policies used in accounting for the types of fund held and in the preparation of the accounts.

The examiner must:

- check whether the separate funds of the charity have been correctly accounted for and reported correctly in the accounts
- check the reasonableness of any significant estimates or judgments that have been made in preparing the accounts
- where accruals accounts are prepared, check that the accounting policies adopted are consistent with the applicable Statement of Recommended Practice: Accounting and Reporting by Charities (SORP) and are appropriate to the activities of the charity

The separate funds have been correctly disclosed between restricted and unrestricted and agree to underlying workings. The accounts are prepared on the going concern basis.

Other items tested above in direction 6

Conclusion: Receipts and payments accounts agree and are correctly stated.

Direction: 9 Direction 9

The examiner must check whether the trustees have considered the financial circumstances of the charity at the end of the reporting period and, if the accounts are prepared on an accruals basis, check whether the trustees have made an assessment of the charity's position as a going concern when approving the accounts.

Where accruals accounts are prepared, the examiner must ensure that the disclosures about going concern required by the applicable Statement of Recommended Practice (SORP) are made and that the trustees' assessment of going concern is reasonable given the available information. In particular the examiner must check if any material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue as a going concern are disclosed in the notes to the accounts.

Where either receipts and payments or accruals accounts are prepared, the examiner must consider whether the trustees have assessed what invoices, bills and commitments remain outstanding at the end of the reporting period and whether the trustees have identified if they can settle these as and when they fall due.

The trustees consider the charity as a going concern.

There are no material uncertainties that cast doubt on the continued functioning of the charity.

Direction 10 Check the form and content of the accounts.

The examiner must carry out such procedures as the examiner considers necessary to provide a reasonable basis on which to conclude whether or not the accounts have been properly prepared. The examiner must:

- **where receipts and payments accounts have been prepared check that the charity can lawfully prepare such accounts, that all the accounting statements are present and that the funds of the charity are correctly identified; or**
- **where accruals accounts are prepared check that they comply with the applicable Statement of Recommended Practice: Accounting and Reporting by Charities (SORP) and the applicable accounting standard; and**
- **if the charity is a company, check that the accounts also comply with the applicable company law requirements.**

Accounts report content and form checked example reports on the charity commission website. No reason to believe the accounts have not been prepared in accordance the required guidelines.

Direction 11 Identify items from the analytical review of the accounts that need to be followed up for further explanation or evidence.

The examiner must carefully consider if, during the course of their examination, items were found that were material to the accounts which need further explanation or supporting evidence. If the examiner is concerned that the charity's accounts could be materially misstated, then the examiner must undertake sufficient additional work to be satisfied that any such item has been explained and correctly included in the accounts. The examiner must be alert to any related party transactions that require separate disclosure in the accounts. Where the examiner is not satisfied on any item then the examiner must refer to it in their independent examiner's report.

As shown under direction 6 there has been no change in the nature or scope of the charities activities.

No items were identified as needing additional documentary support.

There is no evidence from our review that the financial elements of the accounts are not consistent year on year.

Direction 12 Compare the trustees' annual report with the accounts.

The examiner must compare any narrative information or figures in the trustees' annual report with the accounts in order to identify any material inconsistency between the trustees' annual report and the accounts

If your charity's income is under £1,000,000 (and providing it doesn't have assets worth more than £3.26million), prepare a simple report including:

- your charity's name, registration number, address and trustee names
- its structure and details of how it is managed, including how it recruits trustees
- its activities and objectives in the year
- its achievements and performance, including reporting on its public benefit
- a financial review including any debts and details of your reserves policy (if applicable)
- details of any funds held as a custodian trustee
- You can put more detail into your trustees' annual report if you want to. You only have to send a copy to the commission with your annual return if your income is more than £25,000. But you need to send the commission a copy if it asks for it.

The trustees report is in agreement with the accounts and contains the relevant information

Direction 13 Write and sign the independent examination report.

The examiner must review the conclusions from their independent examination and then prepare and sign their independent examiner's report. The content of their report must cover all the matters required by the 2008 Regulations. If the examiner has identified a matter of concern because one or more of the specific matters listed in the 2008 Regulations or in this Direction are present or remain unresolved then the examiner must bring it to the attention of trustees in their independent examiner's report.

No cause for concern during the examination, nothing has come to my attention. No inconsistencies arose between accounts and the records.

Independent Examiner's Report to the trustees of Squires Cottages

I report to the trustees on my examination of the accounts of the Squires Cottages Charity (the Trust) for the year ended 31st March 2024.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general 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 you as 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 next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - a. to keep accounting records in accordance with section 130 of the 2011 Act and
 - b. to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act
 - c. have not been met or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



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Squires Cottages Charity Trustee Report 2023-24

It has been another good year financially for the charity and the board is in the process of planning a major programme of refurbishment to the Village Hall, subject to planning permission and fundraising objectives.