

## Trustees' Annual Report

Charity Name: Burstwick Village Hall

Charity Registration Number: 503800

Reporting Period: 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024

Charity Correspondence Address: 20 Churchill Rise, Burstwick HU12 9HP

### 1. Objectives and Activities

The object of the charity is to provide and maintain a village hall for the use of the inhabitants of Burstwick and surrounding areas, without distinction of political, religious, or other opinions. The hall is used for a variety of community activities including group meetings, fitness classes, social events, and other functions that promote community cohesion and well-being.

### 2. Achievements and Performance

During the year, the charity continued to support a wide range of community groups and events. Key achievements included:

- Securing grant and match funding to replace both emergency exits
- Supporting the Burstwick Party in the Park community event
- Hosting a variety of social events, including quiz nights, a race night, and a Christmas celebration
- Encouraging the growth and development of local community user groups
- Promoting a Warm Space initiative to reduce isolation and foster social connection
- Providing a weekly prescription and medication collection service

The village hall remains a vital asset to the local community.

### 3. Financial Review

Total receipts for the year were £45,052.13, and payments were £17,533.68, resulting in a net surplus of £17,518.45.

The main sources of income were hall hire fees, fundraising events, and grants.

Major expenditure included building maintenance, utility bills, and insurance.

Reserves policy:

The village hall management committee aim to maintain unrestricted reserves at a level equivalent to approximately 6 months' running costs, to ensure uninterrupted service should income fall or unexpected costs arise.

### 4. Structure, Governance, and Management

The charity is an unincorporated association governed by a lease and trust deed dated 23<sup>rd</sup> September 1974, amended by resolution dated 4<sup>th</sup> February 2015.

The village hall management committee oversee the running of the hall and ensure it operates in accordance with its charitable objectives.

Burstwick Parish Council Village Hall Committee Terms of Reference is reviewed annually.

### 5. Reference and Administrative Details

Charity Name: Burstwick Village Hall

Charity Number: 503800

Correspondence Address: 20 Churchill Rise, Burstwick HU12 9HP

Bankers: HSBC, 3-4 Jameson Street, Hull HU1 3JX

Independent Examiner: Mr Richard Dixon

## 6. Trustees (at any time during the year)

- Burstwick Parish Council

## 7. Declaration

The trustees declare that they have approved this report and it has been signed on their behalf.

Agenda Item 2025/06/20, 17<sup>th</sup> June 2025



Signed: \_\_\_\_\_

Cllr. Dean James, Chairman – Burstwick Parish Council

Date: 17<sup>th</sup> June 2025

Burstwick Village Hall				
Receipts & Payments Account at 31st March 2024				
2022-23		RECEIPTS		2023-24
£				£
8,389.75		Letings		10,703.00
1,467.31		Grants		21,324.37
2,714.37		Donations and fundraising		2,535.91
726.66		100 Club		1,046.44
51.08		Bank Interest		192.41
		Sundry		9,250.00
<b>13,349.17</b>		<b>Total income</b>		<b>45,052.13</b>
		PAYMENTS		
		Running costs:		
1,254.00		Cleaner invoices		1,107.00
192.55		Cleaning consumables		112.92
253.26		ERYC Business rates/waste		208.74
		Rent		
924.17		Water		2,056.83
530.86		Electricity		1,470.59
1,942.40		Gas		4,243.38
881.24		Insurance		983.96
139.00		100 Club		540.00
		Flat roof repair/replacement		
55.00		Other maintenance		
120.00		Boiler service		
410.40		Pest control		310.20
79.80		Fire protection & PAT testing		85.80
139.20		Music license (PPL PRS Ltd)		154.80
60.00		ERVHN Membership		
998.98		Expenditure against grants		974.45
		Repairs & Renewals		4,587.12
2,744.91		Sundries		605.68
89.39		HSBC Bank Charges		92.21
<b><u>10,815.16</u></b>		<b>Total Expenditure</b>		<b><u>17,533.68</u></b>
<b><u>2,534.01</u></b>		<b>Net Receipt / Payments</b>		<b><u>27,518.45</u></b>
		RECEIPTS AND PAYMENTS SUMMARY		
12,275.88		Balance brought forward at 1st April		14,809.89
2,534.01		Net surplus/deficit for year above		27,518.45
<b><u>14,809.89</u></b>		<b>Fund balance carried forward at 31st March</b>		<b><u>42,328.34</u></b>
		These cumulative funds are represented by:		
3,695.49		Current Account		31,021.53
11,114.40		Deposit account		11,306.81
		Plus unaccounted for deposits		
		Less unrepresented cheques		
<b><u>14,809.89</u></b>				<b><u>42,328.34</u></b>

# *Public Sector Audit*

## **Burstwick Village Hall**

***Audit Report for the year ended 31 March 2024***

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## Burstwick Village Hall

### **Audit Report for the year ended 31 March 2024**

#### Introduction

Audit is a key component of the system of internal control. The purpose of internal audit is to review whether the systems of financial controls over the Village Hall's activities and operating procedures are effective.

At the request of the Trustees of Burstwick Village Hall I have conducted an Audit review of the Trust's accounting records in respect of the financial year ended 31 March 2024. I have acted independently and, on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in place during the financial year.

The audit has been carried out in accordance with the Trustees needs and planned coverage. On the basis of the findings in the areas examined, the audit conclusions and recommendations have been recorded in the table below.

### Prioritisation of recommendations

In accordance with good internal audit reporting practice, the recommendations contained in this report have been prioritised. The following 'traffic light' system for the prioritisation of recommendations has been adopted:

- Significant weakness in internal control requiring urgent attention.
- Moderate weakness in internal control requiring attention within the current year.
- Minor weakness in internal control, or matters of good practice the Association may wish to consider, to be addressed within the current year.

#### Distribution List

Executive Committee

Executive Officer

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The findings of the audit are summarised below

	Test	Findings and Recommendations	Page   4
1	Have appropriate books of account been properly maintained throughout the year?	<p><u>Appropriate accounting records</u></p> <p><b>Findings</b></p> <p>The cash book has been maintained on a Scribe accounting package on a receipts and payments basis. It has been well maintained and balanced up to the 31st March 2024, as evidence by a year-end bank reconciliation.</p>	
2	Are payment controls effective?	<p><u>Adequate Payment Controls</u></p> <p><b>Findings</b></p> <p>I have reviewed all payments made during the year.</p> <p>I have reviewed for completeness, accuracy, correct year of account and authorisation by two Trustees.</p> <ul style="list-style-type: none"> <li>➤ It was noted that a payment on the 12th May 2023 for fire extinguisher servicing was not supported by an invoice in the pack provided to audit.</li> <li>➤ It was also noted that six invoices in respect of 2024/25, from the Village Hall's gas supplier, and an invoice for pest control, that were not paid during the year of audit, were included with the invoices presented to audit. These will be required to be provided for the 2024/25 audit.</li> </ul> <p>It was recommended last year that the Village Hall Clerk should check with the Information Commissioner's Office (ICO) whether registration is required under the General Data Protection Regulations.</p> <ul style="list-style-type: none"> <li>➤ It is noted that no subscription has been paid in respect of 2023/24. I have raised this with the Village Hall Clerk, who has responded by confirming that the Village Hall Management Committee is a sub-committee of the Parish Council, which is registered with the ICO.</li> </ul>	

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	<p>➤ I have checked with the Information Commissioners Office and they have confirmed that, as the Village Hall Trust is a separate legal entity and a holder of personal data, it must also register with the ICO and pay the appropriate annual fee.</p> <p>Invoices paid online via the BACS system and by Direct Debit were supported by two authorising signatures on each invoice. I have seen no evidence that any payments were paid by cheque during the year. Summaries of payments are provided to the Management Committee for information and approval.</p> <p>I have become aware of an aspect of VAT legislation which allows a Charitable Trust, which is in the Sole Trusteeship of the Parish Council and is undertaking duties that would ordinarily be carried out by the Parish Council, to reclaim the VAT it incurs as if it were the Parish Council undertaking the duties.</p> <p>➤ Section 7.5 of VAT Notice 749 states:  <i>"Can I claim VAT refunds on goods and services I buy using money from trust funds?"</i></p> <ul style="list-style-type: none"> <li>• "Yes, but only when you act as Sole Trustee of a Trust – for example, a village hall. For your claim to be valid:</li> <li>• You must be acting as sole managing trustee without payment,</li> <li>• the activities of the trust must be so closely related to your own functions as an authority that you cannot easily distinguish between them, and</li> <li>• the claim must relate to the non-business activities of the trust"</li> </ul> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>● As reported last year, documentary evidence in support of all payments made by the Village Hall should be maintained and provided to audit for review and verification.</li> <li>● As the Village Hall Committee holds or uses personal information about the public, employees or other people, it is legally obliged to protect that information. The General Data Protection Regulations 2018 require <i>every organisation</i> that is processing personal information to register with the Information Commissioners</li> </ul>
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		<p>Office (ICO), unless they are exempt in respect of crime and taxation purposes. The Village Hall Clerk should, therefore, check to confirm whether registration is required with the ICO.</p> <ul style="list-style-type: none"> <li>● The council should enquire with HMRC whether the Village Hall Trust is able to recover the VAT it incurs, in accordance with the above legislation, in view of its "trading" activities in hiring out the Hall in case this is classed as a business activity.</li> <li>● If the Village Hall is able to recover the VAT it incurs, it should obtain a unique reference number from HMRC to enable it to recover the VAT it incurs using a "VAT 126 claim for refund by certain bodies".</li> <li>● The council may also wish to enquire whether it is possible to make a claim for the VAT incurred by the Village Hall Trust in previous years.</li> <li>● It would assist the audit process if invoices could be filed in the order in which they were paid (rather than in batches of the different creditors paid during the year) and cross referenced to the voucher number identified on the Scribe accounting system.</li> <li>● Only invoices for the relevant year of audit should be submitted to audit for review and verification.</li> </ul>
3	Was all expected income fully received, in accordance with the Village Hall's charging policy and properly accounted for and promptly banked?	<p><u>Adequate income controls</u></p> <p><b>Findings</b></p> <p>I have checked and agreed a sample of income to the approved charges for hire of the Village Hall, the cash book, invoices raised and duplicate receipts.</p> <ul style="list-style-type: none"> <li>➤ As reported in 2022/23, supporting information in respect of grants, donations and fundraising, and an insurance claim has not been provided to audit. These types of income total £33,110, which accounts for 73% of the total of Village Hall income for the year, that I have been unable to verify to supporting information.</li> </ul>

		<b>Recommendation</b> <p>● As recommended last year, documentation that the Village Hall receives in respect of grants, donations and fundraising and sundry such as insurance claims, should be forwarded to audit for review and verification purposes.</p>
7	<p>Were petty cash payments appropriate and supported by receipts?</p> <p>Was all expenditure approved and reported to the Village Hall Committee?</p>	<p><u>Appropriate petty cash controls</u></p> <p><b>Findings</b>  The Clerk has confirmed that the Village Hall does not maintain a petty cash system.</p> <p>Sundry payments made by the Clerk have been reimbursed and recorded in the cash book. Supporting invoices and receipts have been included in the payments file and authorised and paid as part of the normal payments system.</p>
8	<p>Do all employees have contracts of employment with clear terms and conditions?</p> <p>Are salaries to employees and all other payments and allowances paid in accordance with the Trust's approvals?</p> <p>Has PAYE and NI been correctly deducted and paid to HMRC?</p>	<p><u>Adequate payroll controls</u></p> <p><b>Findings</b>  As the Village Hall Clerk is employed by the Parish Council, his contract of employment and salary payments were subject to audit as part of the Parish Council's 2023/24 Internal Audit.</p> <p>All findings in respect of payroll have, therefore, been reported to the Parish Council for review and approval.</p>

9	<p>Was an Asset Register complete and accurate and reviewed on a regular basis?</p>	<p><u>Appropriate recording of assets</u></p> <p><b>Findings</b> The Village Hall Asset Register is maintained as a schedule. It includes the date of purchase (if known), description, original value and estimated replacement cost.</p> <p>I have reviewed the expenditure records for the year and confirm that the purchase of a bookcase during the year has been added to the register at the cost price.</p> <ul style="list-style-type: none"> <li>➤ It is noted that the Village Hall also purchased a catering water boiler and a kettle during the year but these assets have not added to the register. It is not known whether they replace the existing water boiler and kettle, added to the register in January 2023, or are additions.</li> </ul> <p><b>Recommendation</b> ● The Clerk may wish to add the purchase of a catering water boiler and a kettle to the Asset Register during the current financial year.</p>
10	<p>Were bank reconciliations performed on a regular and timely basis?</p> <p>Was a year-end reconciliation performed and balanced?</p> <p>Have all bank reconciliations been reviewed by the Village Hall Committee?</p>	<p><u>Adequate bank reconciliations</u></p> <p><b>Findings</b> The Village Hall Clerk has provided year-end bank reconciliations for 2022/23 and 2023/24. No evidence of quarterly bank reconciliations has been provided to audit, however. It was recommended last year that reconciliations should be prepared and submitted to the Committee at least quarterly for review and authorisation.</p> <p>A review of the year-end reconciliations confirms that there are no unusual or balancing entries.</p> <p><b>Recommendation</b> ● For transparency and as part of the Village Hall's internal financial control systems, bank reconciliations should be submitted to the Management Committee at least quarterly for review and authorisation.</p>

11	<p>Were year-end accounts supported by adequate working papers?</p> <p>Is there an adequate audit trail from underlying records to the Trust's accounts?</p> <p>Has the previous year's Audit Report been submitted to the Executive Committee and actioned as necessary?</p>	<p><u>Year-end accounts and previous Internal Audit Report actioned</u></p> <p><b>Findings</b></p> <p>The year-end statements have been prepared on a Receipts and Payments basis and, therefore, debtors and creditors have not been included.</p> <p>The statements agree with the cashbook and to the year-end bank reconciliation statements.</p> <p>The Internal Audit Report in respect of 2022/23 was presented to the Village Hall Management Committee on the 30th August 2023. Not all recommendations have been actioned, however.</p>
12	<p>Has the council met its responsibilities as a Trustee?</p>	<p><u>Trustee responsibilities</u></p> <p><b>Findings</b></p> <p>The Parish Council acts a Sole Trustee and is responsible for managing the Trust Funds and assets for Burstwick Village Hall. As such, I am required by the External Auditor to report on the Trusteeship of the Village Hall as part of the annual Parish Council Internal Audit Report.</p> <p>The Trustees' responsibilities also extend to arranging for an audit of its annual accounts, reviewing the Auditor's report and responding to any recommendations made. It is noted in the minutes of the Village Hall Management Committee held on the 30<sup>th</sup> August that the 2022/23 Audit Report had been received <i>and "a copy of the report can be emailed to committee members on request."</i></p> <p><b>Recommendation</b></p> <ul style="list-style-type: none"> <li>● The annual Audit Report should be included with agenda papers and issued to all members of the Village Hall Management Committee. The report should be reviewed in detail and the recommendations responded to.</li> </ul>

## Executive Summary

It is of concern that recommendations made as a result of the 2022/23 Internal Audit have not been actioned. The areas of concern continue to include payments, receipts and interim bank reconciliations.

The consideration and adoption of this report's recommendations during the current financial year will serve to strengthen the Trust's financial systems and procedures already in place.

The Audit has been conducted in accordance with the Trustee's requirements. It has been performed to professional standards of objectivity, competence, due professional care and independence.

I confirm that I have no relationship or interest, financial or otherwise, with any Trustee or officer of the Village Hall Trust.

Richard Dixon

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12th June 2024

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