

NEWFORGE COMMUNITY DEVELOPMENT TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NEWFORGE COMMUNITY DEVELOPMENT TRUST

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Newforge Community Development Trust ("the Trust") for the year ended 31 March 2025, which comprise a Statement of Financial Activities, a Statement of Financial Position, Cashflow Statement and the Notes to the Financial Statements, including significant Accounting Policies set out in note 3. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* [applying Section 1A of that Standard] (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued by the UK's Financial Reporting Council; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard for Auditors, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We draw attention to pages 15 and 16 in the financial statements, which indicates that the Trust is dependent on the funding of an associated company and adequate banking facilities. As stated on pages 15 and 16, these events or conditions, along with other matters as set forth in the going concern note on pages 15 and 16, indicate that a material uncertainty exists that may cast significant doubt on the Trust's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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Other Information

The other information comprises the information included in the Annual Report other than the Financial Statements and our Auditor's Report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Trustees' Report is consistent with the Financial Statements; and
- in our opinion, the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which We are Required to Report by Exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the Small Companies Regime and take advantage of the Small Companies Exemptions in preparing the Trustees' Report and from the requirement to prepare a strategic report.

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NEWFORGE COMMUNITY DEVELOPMENT TRUST (continued)

Respective Responsibilities

Responsibilities of Trustees for the Financial Statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. 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 posting inappropriate journals. Audit procedures performed by the engagement team included:

- discussion with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud; and
- identification and testing of significant manual journal entries.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example forgery or intentional misrepresentations or through collusion.

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NEWFORGE COMMUNITY DEVELOPMENT TRUST (continued)

The Purpose of Our Audit Work and to Whom We Owe Our Responsibilities

Our report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Ruddell
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