

# Management Report to The Trustee

Prepared for

Farnham Park Sports Fields

Audit for the Year Ended 31 March 2015

Presented by Wilkins Kennedy LLP

September 2015

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# 1 PURPOSE OF THIS REPORT

## PURPOSE OF THIS REPORT

We set out within this report our findings and recommendations on various matters which came to our attention during the course of the audit of the Accounts of Farnham Park Sports Fields for the year ended 31 March 2015 and form the basis for discussion.

In order to comply with the provisions of International Standards on Auditing we are required to report to you our audit findings and in particular:

- The nature and scope of audit work we have undertaken and any expected modifications to the audit opinion.
- Provide constructive observations arising from the audit.
- Any adjusted and unadjusted misstatements identified during the audit process.
- Matters specifically required by Auditing Standards to be communicated to those charged with governance (such as fraud and error).
- Material weaknesses in the accounting and internal control systems.
- Any other relevant and material matters relating to the audit.

Please note that this report has been prepared for the sole use of Farnham Park Sports Fields. It must not be disclosed to third parties, quoted or referred to without our prior written consent. No responsibility is assumed by Wilkins Kennedy LLP to any other person.

We would like to take this opportunity of expressing our thanks to your staff for their assistance during the course of our audit.

If we can be of any further assistance, please contact Tim Collerton.

Yours faithfully

**Wilkins Kennedy LLP**

## 2 INDEPENDENCE & RESPONSIBILITIES

### INDEPENDENCE

As a firm we have policies and procedures in place to regularly monitor auditor objectivity and independence. No further threats to our independence have been identified since the communications at planning stage covered by our letter of 3 July 2015.

This review has considered the non-audit services, in the form of a VAT health check review, which is in the process of being provided. The safeguards that we have implemented to ensure our independence include:

- VAT advisory team is separate to the audit team

The VAT health check review is not yet complete and does not form part of this report. References to VAT within the report are therefore the views of the audit team in relation to audit work performed but reference may also be made to the VAT health check review.

### AUDIT APPROACH

The audit has been conducted in accordance with International Standards of Auditing (UK and Ireland) issued by the Auditing Practices Board.

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/apb/scope/private](http://www.frc.org.uk/apb/scope/private)

### LIMITATIONS

Our audit procedures, which have been designed to enable us to express an opinion on the financial statements, have included the examination of the transactions and the controls thereon of the Charitable Trust.

As advised in our letter of engagement dated 28 January 2015, our audit procedures were directed towards testing the accounting systems in operation upon which we have based our assessment of the financial statements. The work we have undertaken was not primarily directed towards identifying weaknesses in the accounting systems other than those that would affect our audit opinion, nor to the detection of fraud.

As our audit has been conducted on a test basis we are thus unable to provide a comprehensive statement of all weaknesses which may exist in the accounting and internal control systems or of all improvements which may be made. We can only address those matters, which have come to our attention as a result of the audit procedures, which we have performed.

In making our recommendations, we have considered the size of your Charity and the number of staff that act for the Charity. We would be grateful for any feedback on matters raised within this document and any steps that will be taken.

### RESPONSIBILITIES

The Trustee is responsible for preparing the Trustee's Annual Report and Accounts. Wilkins Kennedy LLP as auditors are responsible for forming an opinion on the Accounts.

# 3 MATTERS ARISING FROM THE AUDIT

## AUDIT APPROACH

In the approach to our audit, we have not had to alter or change any of our audit procedures, which we communicated to you in our letter dated 3 July 2015.

## AREAS CONSIDERED EITHER AT PLANNING STAGE OR DURING THE COURSE OF THE AUDIT

	Significant Audit Risks	How we addressed the risks	Conclusion
1	<p><b>Completeness of income/revenue recognition</b></p> <p>We considered the following:</p> <ul style="list-style-type: none"> <li>• Completeness</li> <li>• Recognition (is the correct amount recognised in the period under consideration) i.e. is income included in the period to which the activity is undertaken?</li> <li>• Fund accounting – Any restrictions on use and are these correctly recorded?</li> </ul>	<p>We documented and tested the controls around income to ensure all income is included in the accounts, within the correct accounting period, and we traced a sample of transactions through the system to ensure completeness.</p>	<p>We did not identify any areas of material misstatement however we did identify some areas of weakness.</p> <p>Please see Audit Results Section 5 for further details.</p>
2	<p><b>Going concern</b></p> <p>The Charity's accounts are prepared on the basis that it is a going concern. Therefore there is an assumption that the Charity has sufficient funds to meet its obligations as they arise for at least the 12 months following the sign-off of the accounts.</p> <p>The Charity is dependent on the funding support from SDBC without which the ability of the Charity to operate as a going concern could be in question.</p>	<p>We considered the Trustee's assessment of the Charity Trust ability to continue as a going concern for a period of 12 months from the date of signing off the audit report.</p>	<p>A letter has been supplied from the Director of Resources South Bucks and Chiltern District Councils confirming that as Corporate Trustee SBDC would put in place a recovery plan to address the issue when the Trust has negative unrestricted funds which could include supporting directly the Charity financially.</p> <p>We are satisfied that sufficient support to maintain the Charity as a going concern is in place.</p>

### 3 MATTERS ARISING FROM THE AUDIT

	Significant Audit Risks	How we addressed the risks	Conclusion
3	<p><b>Valuation of land and buildings and completeness of tangible and intangible fixed assets</b></p> <p>We considered the following:</p> <ul style="list-style-type: none"> <li>Beneficial entitlement to land and buildings and the valuation placed thereon with specific consideration towards any potential impairment in value;</li> <li>Capitalisation policy on fixed assets generally and depreciation policies adopted.</li> </ul>	<p>We reviewed the beneficial ownership of land and buildings including review of trust deed and land registry searches, together with confirmation of existence and usage</p> <p>We also undertook a physical verification of other fixed assets to verify existence</p> <p>We considered capitalisation and depreciation policies adopted</p>	<p>We are satisfied there has been no impairment in the value of land and buildings</p> <p>We have reviewed the capitalisation and depreciation policies and whilst we did not identify any material issues we have included some comments within Audit Results Section 5.</p>
4	<p><b>Stock</b></p> <p>We considered the following:</p> <ul style="list-style-type: none"> <li>The completeness of stock, including bar/ catering stock taken in house part way through the year ended 31 March 2015;</li> <li>Whether stock was reflected at the lower of cost and net realisable value.</li> </ul>	<ul style="list-style-type: none"> <li>We attended the stocktake and reviewed the completeness of the count.</li> <li>We compared the stock count to final stock figures to confirm no omissions.</li> <li>We undertook a sample of stock items and compared pricing to both original supplier invoices and to subsequent sales to confirm the value of stock was not overstated.</li> <li>We also considered management's assessment of year end stock provisions</li> </ul>	<p>We are satisfied the overall value of stock is appropriate.</p>

### 3 MATTERS ARISING FROM THE AUDIT

	Significant Audit Risks	How we addressed the risks	Conclusion
5	<p><b>Management and staff override</b></p> <p>We considered:</p> <ul style="list-style-type: none"> <li>The ability of management and staff to manipulate the accounting records and thereby undertake fraudulent transactions as a result of overriding the internal controls of the Charity.</li> </ul>	<p>We addressed this risk through analytical review and sample transaction testing of both income and expenditure, including a review of supporting documentation such as invoices from suppliers.</p> <p>We also undertook a sample review of journal postings to ensure entries to the accounting records were appropriate and reasonable.</p>	<p>No issues have been identified from our work</p> <p>Any weaknesses identified are covered within Audit Results Section 5</p>
6	<p><b>Support costs and direct charitable expenditure</b></p> <p>We considered:</p> <ul style="list-style-type: none"> <li>The reasonableness of expenditure allocated to the Charity.</li> </ul>	<p>We reviewed the basis for allocating support costs and direct expenditure to ensure that it was in accordance with previous years.</p>	<p>We are satisfied that the basis of allocation of support costs and direct charitable expenditure is reasonable, appropriate and in accordance with the approach undertaken in previous years.</p>
7	<p><b>Financial Reporting</b></p> <p>We considered:</p> <ul style="list-style-type: none"> <li>The risk that the financial statements are not fully compliant with the Charities SORP and accounting regulations, or are materially misstated through errors in their compilation.</li> </ul>	<p>We undertook a review of the draft accounts, formal review of the presentation and disclosures using a bespoke disclosure checklist, and made recommendations in relation to compliance with relevant legislation.</p>	<p>We have reviewed the accounts and have suggested disclosures. We are satisfied that the accounts are not materially misstated and are in compliance with the Charities SORP and accounting regulations.</p>

# 3 MATTERS ARISING FROM THE AUDIT

## AUDIT STATUS

The audit work undertaken on the accounts is now substantially complete and as there are no expected modifications to the auditors' report and we therefore anticipate issuing an unqualified audit opinion for the year ended 31 March 2015 for the Charity, following:

- Receipt of approved accounts signed on behalf of the Trustee;
- Receipt of a signed letter of representation.

Our work to enable us to sign off the audit report comprises of:

- A final post balance sheet review and;
- A final going concern review.



# 4 AUDIT RESULTS

## AUDIT MISSTATEMENTS

As part of the requirements of International Auditing Standards on Auditing we are required to report any material or agreed adjusted audit misstatements arising from our work.

We are also required to report any unadjusted audit misstatements and why they are unadjusted, other than those that are “clearly trivial”.

These are both set out in Section 5.

## RISK OF FRAUD AND ERROR IN THE FINANCIAL STATEMENTS

We are required under international auditing standards to consider fraud risk throughout the audit. In particular we must consider management arrangements for preventing and detecting fraud and error.

Fraud risks can be varied and include false expenditure, diversion of income as well as the manipulation of financial results.

This work is now complete and as stated in Section 3 we have not identified any matters which we wish to draw to your attention.

## ACCOUNTING POLICIES

Financial Reporting Standard 18 (FRS 18) requires that entities should review their accounting policies regularly to ensure that they are appropriate to their particular circumstances for the purpose of giving a true and fair view.

We have reviewed the Charity’s accounting policies, as stated in the financial statements, and confirm that they are materially appropriate to provide relevant, reliable, comparable and understandable information.

## ACCOUNTING ESTIMATES

As auditors, we are aware that the selected basis of an accounting estimate may have a significant impact on the financial statements so in our work we need to identify all accounting estimates and the basis of the estimate and, where we consider there to be a high estimation uncertainty, we must ensure our audit work challenges the basis of the estimate.

We have reviewed these accounting estimates for the Charity and conclude that materially they have been calculated on a basis that is consistent with our knowledge of the Charity and the sector as a whole, although we would draw your attention to depreciation policy on fixed assets referred to on pages 10 and 11.

# 5 AUDIT MISSTATEMENTS

## INTERNAL CONTROL

We have set out below internal control recommendations in the accounting and internal control systems. As previously stated our audit has been conducted on a test basis and thus we are unable to provide a comprehensive statement of all weaknesses which may exist in the accounting and internal control systems or of improvements which may be made. We can only address those matters which have come to our attention as a result of the audit procedures which we have performed.

	Current Procedure	Possible Consequences	Suggested Improvement	Benefit of Control
1	Purchase orders are not being raised for all purchases and this includes food and drink following bringing the catering services in house.	There is the risk of an incomplete audit trail and risk therefore of purchases being unrecorded and/or staff being able to accurately check and substantiate orders.	Greater use should be made of a purchase order system where purchases are authorised by the appropriate level of staff and matched against subsequent receipt of supplier invoices.	Creates an audit trail and greater confidence that expenditure is fully accounted for.
2	From a sample of Sports Field income reviewed it was identified that some income was being recognised in full in the period in which the income is invoiced rather than the income reflected over the period to which it relates.	Income is reflected in the wrong accounting period.	<p>We acknowledge this is a conscious historic decision to ensure four quarters income is reflected in each accounting year.</p> <p>However the appropriate treatment in order to comply with UK accounting standards is to defer the appropriate amount of income to the extent that it relates to entitlement to use sports fields in the following year. This would result in additional income having to be accounted for in one accounting year to correct the anomaly and appropriately reflect the position.</p>	This will bring the treatment of income in accordance with Generally Accepted Accounting Practice.

## 5 AUDIT MISSTATEMENTS

	Current Procedure	Possible Consequences	Suggested Improvement	Benefit of Control
3	<p>In relation to fixed assets:-</p> <p>Your accounts state a policy of capitalising equipment costing at least £500 and capable of being used for more than one year. However this policy does not appear to have been followed and adopted on all occasions in that we identified some equipment costing at least £500 not capitalised.</p> <p>In addition, from a physical review of fixed assets, some equipment was identified as being regarded as the property of the Charity but which have never been reflected as such in Farnham Park Sports Fields accounts. On closer inspection the assets we identified are historic assets which if they had been capitalised, would have been fully depreciated prior to this accounting year end, therefore not impacting on the net book value of the fixed assets reflected in the accounts.</p>	<p>Fixed assets are being understated and the charity is not following the policy stated in its own accounts.</p> <p>This would indicate assets acquired historically via SDBC have not always been identified and allocated where appropriate as charity assets.</p>	<p>Review the process for identifying fixed assets that fulfil the set criteria as well as reviewing the continuing appropriateness of the criteria.</p> <p>As above, review the process for identifying fixed assets that fulfil the set criteria as well as review the continuing appropriateness of the criteria.</p>	<p>For all of the recommendations for fixed assets the purpose is to ensure charitable fixed assets are identified, recorded and appropriately accounted for and reflected within the accounting records and accounts.</p> <p>As above</p>

## 5 AUDIT MISSTATEMENTS

	Current Procedure	Possible Consequences	Suggested Improvement	Benefit of Control
3	<p>Contd./....</p> <p>There were a number of items of equipment on the fixed asset register that have been fully depreciated however the indications are that these continue to be used within the Charity.</p>	<p>If the assets are still being used within the Charity this would suggest the depreciation policy might need to be revised for new assets as the indication is that the current policy of depreciation does not reflect the true economic life of the assets. If in fact there are assets on the register no longer used by the Charity these should be removed from the register and cost and accumulated depreciation in the note to the accounts adjusted to reflect the disposal/scraping of the asset.</p>	<p>A review should be undertaken of the useful economic lives of assets so that going forward they reasonably reflect the lifespan over which usage is expected.</p> <p>If assets are no longer used or have been disposed of the fixed asset registers should reflect this.</p>	<p>As above.</p>
4	<p>In relation to income we acknowledge that there have been some changes to the system over the year and further changes may have been undertaken since the year end however we would make the following observations based on the sample records we have seen. and reviewed during the course of the audit:-</p> <p>Not all daily income reconciliation sheets have the supporting daily till receipts attached or always an explanation of differences between the daily reconciliation sheets and the till receipts when attached.</p>	<p>The reason for potential under/over postings on till receipts may not be obvious and therefore remedied.</p>	<p>Income should be capable of being easily reconciled between the till receipts, the daily income summaries and the subsequent entries in the nominal ledgers.</p>	<p>Greater confidence that income is complete, which comes even more essential if elements of income have to be accounted for VAT purposes (see 6 below).</p>

# 5 AUDIT MISSTATEMENTS

	Current Procedure	Possible Consequences	Suggested Improvement	Benefit of Control
4	<p>Contd./....</p> <p>For example, of the 30 daily records tested 3 did not included the daily till receipt, albeit these all relate to the early part of the accounting year</p> <p>Income is being recorded in the nominal ledger based on monies banked which makes it difficult to reconcile to the actual cash taken though we acknowledge the argument that in theory differences should only be a timing issue. However because of the way income is recorded and allocated it is not possible to completely establish this, but the evidence does support that the differences are not material and the charity is not losing out on unrecorded income.</p>	<p>The risk is that income may be incomplete.</p>	<p>Also If there is reallocation in the nominal ledgers due to inaccuracies within the income summarises then this would suggest additional staff training on the systems is required</p> <p>Income should be reconciled monthly and differences quantified.</p> <p>Creating a sub account for income receivable in the nominal ledger for the Charity could help achieve this. Recording the income to the sub account and then match against the subsequent bank receipts posted might overcome the issue and avoid for example the matter referred to within adjustment 3 on page 15.</p>	<p>As above.</p>

## 5 AUDIT MISSTATEMENTS

	Current Procedure	Possible Consequences	Suggested Improvement	Benefit of Control
5	VAT on some of the Trust expenditure is being recovered by SBDC and the net cost allocated to the Trust.	VAT claimed on expenditure relating to the charity might be recovered by HM Revenue. It also has the effect that expenditure is incorrectly recorded in the Charity's financial statements unless the Charity becomes registered for VAT in its own right.	The expenditure should in the first instance be reflected in the Charity accounts inclusive of VAT and then consideration can then be given to what ether the charity can recover an element of the VAT incurred on expenditure once VAT registered.	Appropriately reflects the costs to the Charity of charitable expenditure.
6	<p>Till receipts are being issued by the Golf Shop which disclose VAT number of the South Bucks District Council.</p> <p>VAT is being accounted for on bar &amp; catering income through the VAT returns of South Bucks District Council since it was brought back in house following the decision by Sustento to cease trading at the golf course.</p>	<p>As the charity is a separate entity, the income from the golf shop and catering are its income it should not be issuing VAT receipts using South Bucks District Council VAT number or using South Bucks District Councils VAT return.</p> <p>The Charity should have registered for VAT and could incur late registration penalties.</p>	<p>This approach should cease immediately and advice regarding Farnham Park Sports Fields registering and accounting for VAT in its own right needs to be addressed.</p> <p>Consideration should also be given to trading through a subsidiary company as the rules which allow tax exemption for a Charity's trading income are limited to £50,000 per annum unless "primary purpose trade" can be successfully argued. A trading subsidiary avoids the need to consider this issue.</p>	<p>The Charity should account for VAT on trading income under its own VAT registration once obtained and thereby follow correctly VAT regulations and avoiding further penalties that might otherwise arise. Consideration can then be given to recover VAT on certain elements of expenditure.</p> <p>Consideration could also be given to transferring trading income and expenditure to a separate trading subsidiary in the future if there is a risk of complex partial VAT exemption rules applying if trading is retained in the charity itself or just as a matter of convenience.</p> <p>All profits from a subsidiary company can be donated to the charity and therefore, although the company will have to submit annual corporation tax returns as well as file statutory accounts at Companies House if there is a full donation of the profits this would mean the subsidiary company would not incur corporation tax liabilities.</p>

## 5 AUDIT MISSTATEMENTS

We are required to inform you of any significant misstatements within the accounts presented for audit that have been discovered during the course of the audit. No material misstatements were identified however there were some recommendations that it was agreed with your staff should be reflected within the accounts as set out below. There were also some recommendations to disclosures to the financial statements and following discussions with your staff the accounts have been adjusted accordingly. Confirmation that you are satisfied with the disclosures in the financial statements should be communicated to us with the letter of representation.

### Adjusted misstatements

	Description	Dr	Cr	Effect on Profit/(loss) £'000
1	<p>Debt irrecoverable Vehicles, equipment &amp; IT additions</p> <p>Being bar &amp; catering equipment left on site by Sustento when the catering contract was withdrawn, taken in part exchange for outstanding rental debts but the equipment was stated in the accounts at the original cost to Sustento rather than the agreed market value placed on the equipment at the time the contract was terminated.</p>	15,751	15,751	-16
2	<p>Account with SDBC Accruals</p> <p>Opus energy electricity costs accrued within South Bucks District Council records instead of Farnham Park Sports Fields accounts.</p>	1,801	1,801	-

# 5 AUDIT MISSTATEMENTS

## Adjusted misstatements contd./...

	Description	Dr	Cr	Effect on Profit/(loss) £'000
3	Account with SDBC Income relating to Farnham Park Course  Monies recorded as held in the holding ledger account of SDBC of £7,616.82 for August 2014 identified as to be allocated to the Charity.	7,617	7,617	8

## Unadjusted misstatements

In addition, a number of non-trivial unadjusted misstatements were discovered during the course of our audit which are set out below. These have been discussed with your accounts staff. It was accepted that the following need not be adjusted as not material and do not impact on the true and fair view of the accounts.

	Description	Dr	Cr	Effect on Profit/(loss) £'000
1	Sports Fields rental income Prepaid rent facilities  Being exclusion of income receivable from Slough Town Youth FC and Unity Martial Arts relating to rental for 2015-16	4,243	4,243	-4



# 5 AUDIT MISSTATEMENTS

## Unadjusted misstatements contd./...

	Description	Dr	Cr	Effect on Profit/(loss) £'000
2	<p>Expensed costs Account with SDBC</p> <p>Based on a sample tested expenditure in relation to a number of suppliers recorded net of VAT rather than gross although the charity is not registered for VAT.</p>	1,616	1,616	-2
3	<p>Vehicles, equipment &amp; IT additions Expensed costs</p> <p>Assets costing over £500 not capitalised in accordance with the policy for capitalisation reflected in the financial statements.</p>	5,820	5,820	6
4	<p>Account with SDBC Income from catering &amp; shop at golf course</p> <p>VAT identified from sample testing as deducted from income received from catering/golf shop and accounted for within South Bucks District Council VAT return. As the Charity is a separate legal entity income it generates should be accounted for within its own VAT return to the extent that it exceeds the VAT registration threshold of £82,000.</p>	7,287	7,287	7

# 5 AUDIT MISSTATEMENTS

## Unadjusted misstatements contd./...

	Description	Dr	Cr	Effect on Profit/(loss) £'000
5	Income from catering & shop at golf course VAT payable  Estimate of output tax due to HM Revenue & Customs at year end as a result of exceeding the VAT threshold. This is based on the information provided and a VAT health check undertaken to consider income streams generally and which may be taxable (e.g. catering, golf shop etc) and assessing the date from which VAT registration would be applicable.	8,800	8,800	-9

## 6 ANY OTHER MATTERS

We appreciate that you will be aware of various changes to legislation but would draw your attention to the following:-

When you prepare the accounts for the year ended 31 March 2016 these will need to be prepared in accordance with Financial Reporting Standard 102 (FRS 102) applicable to charities. This is mandatory for all accounting periods commencing on or after 1 January 2015. You should be aware, depending on materiality, that this might result in some of the comparatives in the 2015 financial statements as well as disclosures in the financial statements being restated. We will advise and assist in relation to this where required.

New regulations were also introduced at the end of March 2015 which had the effect of increasing the audit threshold from £500,000 to £1 million (although the threshold is unchanged at £250,000 for charities with gross assets over £3.26 million).

There are no other matters that we are required by auditing standards to communicate to you.

# APPENDIX 1 : LETTER OF REPRESENTATION

WILKINS KENNEDY LLP  
Anglo House  
Bell Lane Office Village  
Bell Lane  
Amersham  
Bucks HP6 6FA

24 September 2015

Dear Sirs

## **Farnham Park Sports Fields – Audit for year ended 31 March 2015 – Letter of Representation**

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charity's financial statements for the year ended 31 March 2015. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of our knowledge and belief.

### **General**

- 1 We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter dated 28 January 2015, under the Charities Act 2011 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and including The Statement of Recommended Practice (SORP 2005), Accounting and Reporting for Charities, for being satisfied that they give a true and fair view and for making accurate representations to you.
- 2 All the transactions undertaken by the charity have been properly reflected and recorded in the accounting records.

- 3 All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charity, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with The Charity Commission.
- 4 The financial statements are free of material misstatements, including omissions.
- 5 The effects of uncorrected misstatements are immaterial both individually and in total.

### **Internal control and fraud**

- 6 We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
- 7 We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
- 8 We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

### **Assets and liabilities**

- 9 The charity has satisfactory right to all assets and there are no liens or encumbrances on the charity's assets, except for those that are disclosed in the notes to the financial statements.
- 10 The rights to Land reflected in the financial statements of Farnham Park Sports Fields but for which the registered title is in the name of South Bucks District Council are ultimately for the benefit and use of the Charitable trust.

# APPENDIX 1 : LETTER OF REPRESENTATION

- 11 Vehicles included in fixed assets, registered with the DVLA as ownership of South Bucks District Council are recognised as being held on behalf of the charitable trust.
- 12 All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
- 13 We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
- 14 To the best of our knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the fixed assets and intangible assets below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

## **Cash and bank**

- 15 We are satisfied that all sales transactions received by cash have been included within income in the financial statements.
- 16 We confirm there is no separate bank account held by Farnham Park Sports Fields. Payments and receipts are dealt with through a shared bank account with South Bucks District Council. The amounts due to South Bucks District Council as reflected in the financial statements is a true representation of the monies owed to South Bucks District Council by the charity.

## **Accounting estimates**

- 17 Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

## **Loans and arrangements**

- 18 The charitable trust has not granted any advances or credits to, or made guarantees on behalf of, trustees other than those disclosed in the financial statements.

## **Legal claims**

- 19 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

## **Laws and regulations**

- 20 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

## **Related parties**

- 21 Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.

## **Subsequent events**

- 22 All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

## **Going concern**

- 23 We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charity's ability to continue as a going concern need to be made in the financial statements.

# APPENDIX 1 : LETTER OF REPRESENTATION

## Grants and donations

24 All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

## Unadjusted journals

25 We confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We confirm as trustee that we have taken all the necessary steps to make us aware, as trustee, of any relevant audit information and to establish that you, as auditors, are aware of this information.

Yours faithfully

.....  
Chairman of SDBC Audit Committee on behalf of the Charity Trustee