

Management Report to The Trustee

Prepared for

Farnham Park Sports Fields

Audit for the Year Ended 31 March 2016

Presented by Wilkins Kennedy LLP

September 2016

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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 2016 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:

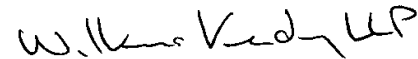
- The nature and scope of audit work we have undertaken and any expected modifications to the audit opinion;
- Provide constructive observations arising from the audit;
- Any unadjusted and adjusted misstatements identified during the audit process;
- Matters specifically required by Auditing Standards to be communicated to those charged with governance (such as fraud and error);
- Material weaknesses in the accounting and internal control systems; and
- 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 monitor regularly auditor objectivity and independence. No further threats to our independence have been identified since the communications at planning stage covered by our letter on 8 July 2016.

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

- VAT advisory team is separate to the audit team.

The results of the VAT health check review were the subject of a separate report and therefore 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

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 8 July 2016.

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

	Significant Audit Risks	How we addressed the risks	Conclusion
1	<p>Completeness of income/revenue recognition</p> <p>We considered the following:</p> <ul style="list-style-type: none"> • Completeness • 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 • Fund accounting – Any restrictions on use and are these correctly recorded 	<p>We documented and tested the controls around income, to ensure all income is included in the accounts within the correct accounting period and 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>Going concern</p> <p>The Charity's accounts are prepared on the basis that it is a going concern. Therefore the 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 SBDC 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

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

	Significant Audit Risks	How we addressed the risks	Conclusion
3	<p>Valuation of land and buildings and completeness of tangible and intangible fixed assets</p> <p>We considered the following</p> <ul style="list-style-type: none"> Beneficial entitlement to land and buildings and the valuation placed thereon with specific consideration towards any potential impairment in value; Capitalisation policy on fixed assets and depreciation policies adopted. 	<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 confirm 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 did not identify any material issues.</p>
4	<p>Stock</p> <p>We considered the following:</p> <ul style="list-style-type: none"> Completeness; Whether stock was reflected at the lower of cost and net realisable value. 	<ul style="list-style-type: none"> We attended the stocktake and reviewed the completeness of the count. We compared the stock count to final stock figures to confirm no omissions. 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. We also considered management's assessment of year end stock provisions. 	<p>We are satisfied the overall value of stock is appropriate.</p>

3 MATTERS ARISING FROM THE AUDIT

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

	Significant Audit Risks	How we addressed the risks	Conclusion
5	<p>Management and staff override</p> <p>We considered</p> <ul style="list-style-type: none"> 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. 	<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>Support costs and direct charitable expenditure</p> <p>We considered</p> <ul style="list-style-type: none"> The reasonableness of expenditure allocated to the Charity. 	<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>Financial Reporting</p> <p>We considered the risk the financial statements are:</p> <ol style="list-style-type: none"> not fully compliant with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (SORP (FRS 102)); not fully compliant with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102); and materially misstated through errors in their compilation. 	<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 recommendations were made as to disclosures. We are satisfied that the accounts are not materially misstated and are in compliance with the Charities SORP and FRS 102.</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 we therefore anticipate issuing an unqualified audit opinion for the year ended 31 March 2016 for the Charity, following:

- Receipt of approved financial statements signed on behalf of the Trustee; and
- 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 102 (FRS 102) requires that an entity applies appropriate accounting policies in line with guidance in the Standard, or if within the scope of a SORP then to apply those requirements, in order to give 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 page 9.

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	From sample of Sports Field income reviewed it was identified that some income was being recognised in full when the income is invoiced rather than the income reflected over the period to which it relates.	Income is reflected in the wrong accounting period.	As acknowledged last year there appears to be a conscious historic decision to ensure four quarters' income is reflected in each accounting year. 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.	This will bring the treatment of income in accordance with Generally Accepted Accounting Practice.
2	In relation to fixed assets There were a number of items of equipment that have been fully depreciated however the indications are that these continue to be used within the Charity.	If the assets are still being used within the business 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.	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. If assets are no longer used or have been disposed of the fixed asset registers should reflect this.	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.

5 AUDIT MISSTATEMENTS

INTERNAL CONTROL - continued

	Current Procedure	Possible Consequences	Suggested Improvement	Benefit of Control
2	(continued)	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.		
3	From testing performed, it was identified that there was documentation missing from a sample of memberships and season tickets for the golf course.	There is a lack of documentary evidence that individuals have access to usage of the course, which potentially could lead to disputes and a damage of reputation for the golf course.	Ensure that copies of all records are kept on file. We appreciate there may be other means of verification that have been put into place in due course (such as recording details on the ESP system) but misplaced documentation is a control weakness.	In the event of any dispute, there is evidence on record for the term and amount paid for individuals' memberships and season tickets.
4	Income is being recorded to 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.	The risk is that income may be incomplete.	Income should be reconciled monthly and differences quantified. An example that would enable such quantification would be the use of a sub-account. We acknowledge that since the year end you have implemented a new system, of which internal reviews are being undertaken on an ongoing basis to ensure that it successfully records complete income for the year.	Greater confidence that income is complete, which becomes even more essential if elements of income have to be accounted for VAT purposes.

5 AUDIT MISSTATEMENTS

INTERNAL CONTROL - continued

	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 whether 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	Till receipts are being issued by the Golf Shop which disclose VAT number of the South Bucks District Council. VAT is being accounted for bar & catering income through the VAT returns of South Bucks District Council.	As the Charity is a separate entity and therefore the income from the golf shop and catering are its income it should not be issuing VAT receipts using South Bucks District Council or accounting for VAT on income on South Bucks District Councils VAT return.	Farnham Park Sports Fields should be registering and accounting for VAT in its own right. We acknowledge that a separate VAT health check review has been performed by a member of the Wilkins Kennedy LLP VAT Specialists department who has reported separately to the Charity, recommending registration and that with the assistance of the specialist, since the 31 March 2016 this is being taken forward. As recommended last year 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 unless "primary purpose trade" can be successfully argued. A trading subsidiary avoids the need to consider this issue.	The Charity should account for VAT on trading income using its own VAT registration once obtained and thereby following correct VAT regulations. Consideration can then be given to recover VAT on certain elements of expenditure. We acknowledge following completion of the VAT healthcheck review performed by members of our VAT team that application is being progressed to register the Charity for VAT. Consideration could also be given to transferring trading income and expenditure to a separate trading subsidiary in 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.

5 AUDIT MISSTATEMENTS

INTERNAL CONTROL - continued

	Current Procedure	Possible Consequences	Suggested Improvement	Benefit of Control
6	(continued)			All profits from a subsidiary company can be donated to the Charity. Therefore, although the company will have to submit annual tax returns and file statutory accounts at Companies House, if there is a full donation of the profits this would mean the Charity would not incur corporation tax liabilities.

5 AUDIT MISSTATEMENTS

ADJUSTED 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 within the letter of representation.

Description		DR £	CR £	Impact on funds £'000
Net Movement in funds before adjustments				(176)
1	Valuation of land & building balance brought forward (restated)	16,789		-
	Depreciation of land & buildings brought forward (restated)		16,789	-
	Restated fixed assets using Net Book Value as deemed cost effective 1 April 2014 rather than 1 April 2015; the former being the transitional date of adoption of SORP FRS 102.			
2	Amount due to the Council	3,962		-
	South Buckinghamshire Golf Course (SBGC) income		3,962	4
	Being income due to the Charity misallocated to the Academy.			
3	Expensed costs	1,471		(2)
	Accruals		1,471	-
	Expenditure in relation to a Golf Management Services advertising accrual recorded net of VAT rather than gross despite the Charity not being registered for VAT.			
Carried forward onto next page				(174)

5 AUDIT MISSTATEMENTS

ADJUSTED MISSTATEMENTS - continued

Description		DR £	CR £	Impact on funds £'000
Brought forward from previous page				(174)
4	Debtors – Amounts due for rent of facilities	3,000		-
	Creditors – Accruals		3,000	-
	Amounts received in advance of invoicing from Phoenix Old Boys FC as at 31 March 2016 reflected as a deduction from debtor balances rather than included in creditors.			
5	Amount due to the Council	1,849		-
	Accruals		1,849	-
	Amounts identified from a review of after date records; although included within the SOFA of the 2015/16 financial statements correctly, they were included within the current account with SDBC when they should be classified as accruals.			
Net Movement in funds after adjustments				(174)

5 AUDIT MISSTATEMENTS

UNADJUSTED MISSTATEMENTS

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 £	Impact on funds £'000
Net Movement in funds before potential adjustments				(174)
1	Expensed costs	14,989		(15)
	Amount due to the Council		14,989	-
	Expenditure in relation to several items recorded net of VAT rather than gross despite the Charity not being registered for VAT. If the items identified with this issue are extrapolated over total costs the potential error would be £14,989. However subsequent VAT registration may, subject to HM Revenue agreement, mitigate this issue.			
2	Expensed costs	1,311		-
	Accruals		1,311	-
	Amounts identified from a review of after date records that should be included within the 2015/16 financial statements.			
Impact on Net Movement in funds of potential adjustments				(15)
Movement in funds if potential journal adjustments posted				(189)

6 ANY OTHER MATTERS

The following matters have been identified by us which we believe will be of interest to you:

RESERVES – NEW CHARITY COMMISSION GUIDANCE

The Charity Commission issued an amended version of leaflet CC19 in January 2016, named “Charity reserves – building resilience”. The leaflet sets out an expectation for charities to hold reserves for an “unplanned closure”.

Views have been expressed by various third parties following the issue of this leaflet that it is not considered appropriate for well-run charities to tie up funds in this manner. This is because:

- a) they have a very low chance of facing such an “unplanned closure”, and
- b) this money could be put to better use on the charity’s beneficiaries.

This guidance may lead to charities focusing less on development and more on favouring a conservative approach, ensuring money is available in the event of unforeseen closure.

DEPOSIT PROTECTION LIMIT – NEW LIMIT

The Financial Services Compensation Scheme protected bank deposits of up to £85,000 (equivalent to €100,000 at the time the limit was set) in accordance with EU directive back in 2010. In order to keep the directive current, in addition being a consequence of the performance of the pound of late, the limit of protection has been reduced to £75,000 with effect from 1 January 2016.

APPENDIX 1: LETTER OF REPRESENTATION

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

29 September 2016

Dear Sirs

Farnham Park Sports Fields – Audit for year ended 31 March 2016 – 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 2016. 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 Trustee, as set out in the terms of your engagement letter dated 28 January 2015, for being satisfied that they give a true and fair view and for making accurate representations to you under:
 - a. 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
 - b. the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (SORP (FRS 102)).
- 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.

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 Charity 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.

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

APPENDIX 1: LETTER OF REPRESENTATION

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

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Chairman of SDBC Audit Committee on behalf of the Charity Trustee