

Independent Examiner's Report to the Trustees of Badingham Village Hall Charity – year ended 31 March 2023

Registered Charity No: 304703

Receipts in Year: £4,637.76

Payments in Year: £7,328.04

Reserves as at 31 March 2023: £975.49

1. Respective responsibilities of Trustees and Independent Examiner

The Charity's Trustees are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011. The Trustees require an independent examination.

As the Independent Examiner it is my responsibility to:

- a) examine the accounts under section 145 of the Charities Act 2011.
- b) follow all the applicable Directions given by the Charity Commission under section 145 (5)(b) of the Act and state whether particular matters have come to my attention.

2. Report for the year ended 31 March 2023

The Charity Commission's website confirms that the charitable aim and function of the Village Hall is to *'provide a vital centre to benefit the community of all ages; that it is the only public meeting and group activity space in a village with no public transport or social facilities found in larger communities. It is used for children's activities, a variety of classes, indoor sports, catered community events, private functions and meetings'*. The Charity was registered with the Commission on 26 February 1965. Further details regarding 'what the Charity does, who the Charity helps and how the Charity works' have been registered with the Charity Commission.

The Independent Examiner was assisted by Mrs Caroline Emeny, the Clerk/RFO to the Badingham Parish Council, who undertakes the role of Treasurer to the Charity. The Charity Accounts were last Examined in respect of the year 2020/21. There was no Independent Examination in relation to the year 2021/22.

The transactions in the year 2022/23 were examined on a sample basis. An Excel Spreadsheet is maintained recording the Receipts and Payments in the year of account and a Summary document has been constructed.

The following observations are made (marked in **bold** where action is recommended):

- a) The Accounts for the year ending 31 March 2023 have yet to be approved by the Trustees.

- b) The Independent Examiner confirmed that the End-of-Year Accounts were balanced and supported by complete bank statements in respect of the Charity's Barclays Community (Current) Account and Business Premium (Deposit) Account as at 31 March 2023.
- c) Payments from the Charity's Barclay's Community Account consisted of cheques, direct debit and internet banking transactions. As the independent review was being undertaken remotely/electronically, the Cheque Book was not examined. Mrs Emeny confirmed that there is not a formally agreed system for approving Village Hall payments and there is not a protocol in place for internet banking such as that which applies to the Parish Council. Mrs Emeny sets up the on-line Village Hall payments which are then authorised by a Parish Councillor (in the role of a Trustee). Mrs Emeny emails the nominated Trustee a copy of the invoice to be paid to enable the payment to be authorised and released. Mrs Emeny confirmed that there was no formal procedure in place for making payments prior to her becoming Clerk to the Parish Council with the previous Chair taking responsibility for managing the Village Hall bank accounts and the processing payments. **The Independent Examiner recommends that a formal system/protocol for making payments (including payments made through internet banking) is drafted and agreed by Trustees as soon as practicably possible to ensure that formal financial control is exercised and evidenced in all payments made from Charity funds.**
- d) The transactions within the Business Premium (Deposit) Account consisted of small amounts of bank interest received.
- e) The Badingham Parish Council is the Custodian Trustee of the Village Hall. The Deed of Covenant which transferred the Hall to the Parish created a distinct Management Committee to operate the Hall. The Charity accordingly receives all the income due and incurs the costs of the Hall.
- f) **At the time of this review the Charity did not maintain an Asset Register listing any buildings, equipment and machinery under the ownership of the Charity. The Independent Examiner recommends that the Charity should construct a separate Asset Register which describes each asset held and (where possible) lists details of the date of purchase, the purchase cost, location, insurance value, and (when applicable) the date of disposal and reason for disposal. The Charity has insured the Village Hall for £494,388 and the Contents for £8,770 and the construction of an Asset Register will assist in enhancing control over the assets held by the Charity.**
- g) The current insurance policy was presented to the Independent Examiner. The insurance cover is provided by Hiscox Insurance for the period 8 January 2023 to 7 January 2024 at the cost of £678.30. The insurance cover for Public Liability and Employer's Liability stands at £10 million for each. The insurance cover for Management Liability (Trustees and Individual Liability) stands at £250,000. The insurance cover for Fidelity Guarantee stands at £100,000.
- h) The Reserves balance at the year-end 31 March 2023 amounted to £975.49 (reflecting the £2,689.88 deficit in the year of account). The Balances as at 31 March 2023 are accordingly significantly lower than those at the end of the previous financial year and a similar deficit in the 2023/24 year could place the Charity in a vulnerable position financially. Mrs Emeny explained to the Examiner that during the Covid pandemic the Village Hall lost the regular income of the Pre-School and has since been operating at a deficit having lost some of its regular hirers/classes. The Parish Council agreed to add £5,000 onto the precept for the year 2022/23 which has been provided to the Village Hall in stage payments (£2,000 was transferred in the year 2022/23 leaving a £3,000 balance to be paid in 2023/24). Mrs Emeny confirmed that the financial status will be reviewed again by the Council at the budget setting meeting later in 2023 and that the Village Hall has new committee members who are looking to attract regular users and to organise fund raising events to improve the financial position of the Hall. The new committee had come about at a time in September 2022 when the Village Hall was in danger

of closing. The Parish Council may well have to raise further funding for the Village Hall through future precepts. Mrs Emeny has also looked at ways of saving the Hall's cash resources by switching electricity and gas accounts to other providers to achieve savings in energy costs.

- i) The Treasurer confirmed to the Independent Examiner that she was not aware of any Debtors (outstanding debts) and Creditors (amounts owed) as at 31 March 2023 or any potential financial, administrative and legal liabilities which the Charity faces which could impact upon future finances or income streams of the Charity other than the issues outlined at item h) above.
- j) The Charity is not registered with the Information Commissioner's Office (ICO) as a Fee Payer/Data Controller for Local Charity purposes. Organisations which are established for 'not-for-profit' making purposes can be exempt from registration; the exemption may apply to small clubs, voluntary organisations and some charities.
- k) The Annual Return for the previous year ended 31 March 2022 is recorded by the Charity Commission as being received on 7 October 2022, within the required due date for submission. The Annual Return for the 2022/23 year of account should be submitted to the Charity Commission no later than 31 January 2024.

3. Basis of Independent Examiner's report

My examination was carried out in accordance with the applicable Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

4. Independent Examiner's statement

I have completed my examination.

- a) I confirm that no material matters have come to my attention which gives me cause to believe that in any material respect the accounting records were not kept in accordance with Section 130 of the Charities Act 2011 or the accounts did not accord with the accounting records or comply with the applicable requirements concerning the form and content of accounts.
- b) I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report (other than those matters already listed at item 2 above) in order to enable a proper understanding of the accounts to be reached.

Trevor Brown

Trevor Brown
Chartered Institute of Public Finance and Accountancy

2 August 2023

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