
Bridge Estate

Audit Highlights Memorandum

Year ended 31 March 2020

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Executive Summary

Audit Conclusion

- Unqualified audit opinion proposed on financial statements.

Accounting Matters

- No significant accounting issues arose during the course of our audit.
- The annual report has been prepared in accordance with Accounting and Reporting by Charities: 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 (FRS 102).
- Accounting policies appropriate for the annual report and the financial statements are in accordance with disclosure requirements of relevant charities legislation, UK GAAP and the Statement of Recommended Practice.

Auditing Matters

- We have completed the audit subject to:
 - Agreement of the final approved set of accounts
 - Receipt of the signed management representations letter
- No significant audit issues arose during the course of our audit of the Charity.

Systems and Controls

- No major weaknesses in the financial systems were identified during the course of the audit.

Regulatory and Tax Matters

- No significant regulatory or tax matters came to our attention during the course of our normal audit work.

Audit Approach

Our audit planning identified two key risk areas which we have addressed through our audit.

Issue

How addressed during the audit

Investments

Highly material area, the majority of assets consist of investment properties, however other investments are also held.

Investment properties and other investments held by the charity were reviewed during the audit.

Specific audit work performed included:

- Agreeing the property valuation disclosed in the financial statements to the valuation report at the year end.
- Agreement of a sample of property valuations to the valuations provided by Nottingham City Council.
- Confirmation of ownership of a sample of properties to title deeds documentation.
- Other investments were verified to third party confirmations.

Related Parties

Possible non-identification or incorrect disclosure of related parties and transactions in the financial statements

Nottingham City Council, Robin Hood Energy & Nottingham City Homes Limited represent the only related parties of the charity. Significant balances exist at the year end in the balance sheet and a substantial payment to NCC of £1,545,000 is disclosed in the statement of financial activities.

Specific audit work performed included:

- Confirmation of the year end balances disclosed in the balance sheet and the income and expenditure transactions disclosed in the statement of financial activities to the Nottingham City Council working papers for the year ending 31st March 2020.
- In respect of the above mentioned payment, verification that the payment is consistent with the objectives of the charity and in accordance with public benefit requirements.

Other matters

Fraud

Auditing standards require us to explicitly consider fraud as part of our audit procedures.

We planned our audit so that we had a reasonable expectation of detecting material misstatements in the financial statements or accounting error (including any material misstatements resulting from fraud, error or non-compliance with law or regulations). Our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance as may exist.

The responsibility for safeguarding the assets of the charity and for the prevention and detection of fraud, error and non-compliance with laws or regulations rests with management and the trustees.

We have discussed fraud and fraud risk with management and the controls surrounding the detection and prevention of fraud.

We have not identified any material frauds during our audit procedures.

Independence

In accordance with the requirements of ISA 260, we confirm that, in our view, there are no matters that would impact our independence and objectivity as auditors to the charity.

We confirm that appropriate safeguards remain in place in respect of all non-audit work and that in our professional judgement, as at the date of this report, we are independent accountants with respect to the charity, within the meaning of UK regulatory and professional requirements and that the objectivity of the audit engagement partner and the audit staff is not impaired in any way.

Summary of misstatements

Auditing standards require us to prepare a summary of uncorrected items that are not considered to be “clearly trivial” for the Audit Committee’s consideration.

The summary includes adjustments that we have noted during the course of our audit which have been adjusted so that the balance sheet and statement of financial activities conform fully to accounting standards and are free from factual error.

Nature of misstatement	Factual	Surplus	Balance Sheet	Unadjusted
Brought forward per draft accounts		428,891	29,514,029	
COIF balance overstated	(315)			(315)
Whitemoor VAT double entered	32,309			32,309
Debtors overstated	(1,625)			(1,625)
Total errors				
adjusted		-	-	
unadjusted				<u>30,369</u>
Final accounts		<u>428,891</u>	<u>29,514,029</u>	

There are no material uncorrected misstatements.

Appendix I : Letter of representation

Rogers Spencer
Chartered Certified Accountants
Newstead House
Pelham Road
Nottingham
NG5 1AP

Dear Sirs

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 2020. These enquiries have included inspection of the 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, 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), 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 management and trustee meetings and correspondence with The Charity Commission.
- 4 The financial statements are free of material misstatements, including omissions.
- 5 The effect of uncorrected misstatements is 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 or 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, analysis, regulators or others.

Assets and liabilities

- 9 The charity has satisfactory title to all assets and investments 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 All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
- 11 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.

Appendix I : Letter of representation (continued)

12 We confirm that the value of investment properties as at 31 March 2020 is £29,952,336.

Accounting estimates

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

Loans and arrangements

13 The charity has not granted any advances or credits to, or made guarantees on behalf of trustees.

Legal claims

14 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.

Law and regulations

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

Related parties

16 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

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

Going concern

18 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

19 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.

Appendix I : Letter of representation (continued)

Transactions with Nottingham City Council

- 20 At the year ending 31 March 2020, the following balances were outstanding between Bridge Estate and Nottingham City Council:
- Included in debtors - £317,642
 - Included in creditors – amounts falling due within one year - £487,124
 - Included in creditors – amounts falling due after one year - £2,163,403
- 21 Included in the Statement of Financial Activities for the year ending 31 March 2020 is a payment of £1,545,000 from Bridge Estate to Nottingham City Council. This payment is consistent with the objectives of the charity and in accordance with public benefit requirements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditor 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.

Each trustee has taken all steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully



.....
Cllr Sajid Mohammed (Chair) signed on behalf of the board of Bridge Estate

Date: 29th July 2020

Appendix II : Management letter

Our Ref: MB / LJJ / B299 / 182903

melvin@rogers-spencer.co.uk

Bridge Estate
Nottingham City Council
Loxley House
Station Street
Nottingham
NG2 3NG

22 June 2020

Dear Sirs

Audit matters to be communicated / Findings from the audit

The following issues arose during the course of our audit for the year ended 31 March 2020: -

- (a) A matter (mentioned below) came to light during the course of our normal audit tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.
 - 1. During our testing of lease agreements it was noted that one agreement could not be located as this could not be recalled from off-site storage. It is recommended that all lease agreements are stored electronically so that these can be located easily.
- (b) A draft letter of representation is attached to this letter and we would be grateful if you could sign and approve the contents.
- (c) There are no uncorrected misstatements.
- (d) There are therefore no expected modifications to our audit report.
- (e) We have not identified any material weaknesses in internal control during the audit.
- (f) This report has been prepared for the sole use of the trustees of Bridge Estate and must not be shown to third parties without our prior consent. No responsibilities are accepted by Rogers Spencer towards any party acting or refraining from action as a result of this report.

Finally, we would like to express our thanks to all members of the charity's staff who assisted us in carrying out our work.

Yours faithfull

