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ACCOUNTANT'S REPORT ON THE ACCOUNTS OF THE LONGMEAD MANAGEMENT GROUP (LMG) FOR THE PERIOD TO 31 MARCH 2021

I have examined the income and expenditure during the period and vouched such income and expenditure to bank statements and other supporting documentation, where available. I have also relied on assurances from Ian McCulloch (JMC) that all income and sources of income have been accounted for, as there are no independent means for the reporting accountant to verify if this is not the case for the current year.

It should be noted that these accounts include only expenditure where LMG is directly responsible for providing the funds to cover such expenditure.

During the course of my review I noted the following:

- That the whole year was effected by the various waves and associated lock-downs of the pandemic, which was particularly severe in its affects on all group sports activities;
- Income recorded for the year reduced further to £3,331 from £3,868 the previous year. Although this fall seems modest in the circumstances, it masks the fact that £1,000 of the current year's income was received from the Junior Football Club in respect of the year to 31 March 2020. Standard accounting practice would normally anticipate such income and assign it to the year for which it is due. However, when the actual receipt of the income is very unsure, it is prudent to wait for the receipt to occur and so for this reason, the Junior Football Club's contribution for 2019/20 appears in the accounts for 2020/21 and no income has been recorded in these accounts in respect of an actual contribution due for 2020/21. Meanwhile, income from the Tennis Club and the Senior Football Clubs remained substantially unchanged from the previous year, whereas income from the use of the Pavillion was impacted by Covid restrictions and fell to £470 from £1,264 the previous year. No grant income was available from either Hemyock Parish Council (HPC) or Mid-Devon District Council (MDDC)
- On the expenditure side of the I&E statement, there was a substantial decrease in expenses from the previous year - £4,528 compared with £7,064 in the year to 31 March 2020, mainly as a result of less expenditure on all types of repairs;
- Sundry expenses includes £351 for the write-off in the accounts of two items held in debtors for several years relating to a TV License and a notice board purchased by mistake for "The Garages". JMC has explained that for various reasons there are difficulties in locating paperwork that could be used to try and convince The Garages that this amount is still owed to LMG and therefore, with due consideration to the amounts involved, LMG will no longer actively pursue this matter;
- As will be clear from the Income & Expenditure statement, the overall result for the year is a further deficit of £1,197, compared with a deficit last year of £3,195. As also noted last year, although LMG's financial position remains relatively strong with the overall surplus to carry forward at £5,737, this is likely to continue to deteriorate in future years unless income can be increased and/or expenses decreased to the order of about £3,000 per year. The continuing pandemic of 2020 and 2021 has certainly not helped in resolving this issue.

- *Explanation of Balance Sheet items:*

1. Prepayments totalling £473 are made up of Insurance (£31.64), TV license (£131.25), an assumed (in the absence of any bills) slightly reduced credit on the water account (£28.36), maintenance of the fire alarm system to 31 August 2021 (£47.50) and finally, waste collection by MDDC for the six months to 30 September 2021 (£234.26).
2. Accruals (£215) relate to estimated electricity usage for the period from 23 March to 31 March 2021 (i.e. the period from the date of the last EDF bill to the end of the financial year) of £11.36, cleaning for the last month of the year (£11.50) and book-keeping fees of £191.75.
3. Accountant (£315). It should be noted that these fees are charged at a concessionary rate for a non-profit organisation, and are equivalent to a discount of substantially more than 50% over “commercial rates”;
4. Creditor (£100) – This was the last payment made by My Premium Coach in December 2020 just before the new lockdown prevented use of the Pavillion for which the amount was paid.

Subject to the above comments, I am satisfied that the Income & Expenditure account and Balance Sheet correctly reflect the deficit of income over expenditure for the period and state of affairs as at 31 March 2021.

Nicolas Gerra FCA
6 June 2021