## Sandbach and District U3A Charity No. 1105144

# Independent Examination of Sandbach and District U3A Charity as required by The Charities Act 2011 for the Year 2024-25

## Introduction

For each set of annual accounts charity law requires an Independent Examiner's report to comment on three specific things: the accounting records kept, whether the accounts agree with those records, and whether the format of the accounts is correct. The examiner is also required to comment on the accounts if they have other concerns about them.

Full guidance for the independent examination of charity accounts is given in the Charity Commissions document 'Independent examination of charity accounts: Directions and guidance for examiners (CC32)'. This independent examination therefore follows the guidance in CC32 where it is applicable to Sandbach U3A. Where Directions and text from the guidance are used in the report these are shown in Italics.

***Direction 1: Check whether the charity is eligible to have an independent examination.***

1.1 The U3A income is made up of £72,604 main activities and £18,579 social activities, with other income and member's subscriptions giving a total income of £102,217 This income is less than £250,000 maximum for income without formal audit and an Independent Examination is therefore appropriate.

1.2 *Is an audit required for any other reason?*
The Inspection is required solely for the annual accounts and there is no other reason for an audit/inspection.

1.3 *Confirm that the charity is eligible for independent examination.*
Notwithstanding the fact that this is a small charity the accounts have always been prepared on an accruals basis to give better financial control.
However, Charity Commission Appendix 5 of GUIDANCE - Independent examination of charity accounts: Directions and guidance for examiners (CC32) seems to indicate that accountancy qualifications are expected for accruals accounts.

*For accruals accounts the examiner should have a good understanding of accountancy principles, accounting standards and knowledge of the applicable SORP.*

*Trustees who have had the charity's accounts prepared on an accruals should select a person who is a member of one of the accountancy bodies listed in the 2011 Act as amended by the 2015 Order*.

However the requirement for a member of one of the accountancy bodies is qualified by the CC's definitions of 'should' and 'must. *'Must' means something is a legal or regulatory requirement or duty that the independent examiner must comply with or must follow in the conduct of their examination.*

*'Should' means guidance that is good practice which the Commission expects the independent examiner to follow when carrying out their examination. 'Recommended' or 'May' means a recommendation or practice that the Commission believes that independent examiners may find helpful in carrying out their independent examination. The examiner has discretion to exercise their own judgment and follow different practices where they consider that these are more suitable for the charity's circumstances.*

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1.4 *If the charity has one or more subsidiaries confirmed that group accounts are not required by law.*
The charity has no subsidiaries.

***Direction 2: Check for any conflict of interest that prevents the examiner from carrying out their independent examination***

2.1 *Confirm that there are no close personal relationships with the trustees that compromise independence.*

I have no family, business or other close relationships with the trustees or day-to-day involvement with the administration of the charity. I provide no services to the charity other than this independent examination and as far as I am aware there are no circumstances that I judge would reasonably lead to the perception that as the examiner I am not independent.

2.2 *Consider whether sufficiently skilled to carry out the examination and, where required, confirmed membership of a listed body.*

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***Direction 3: Record your independent examination***

3.1 Direction 3 lists the records to be kept by the Independent Examiner. This report, it's attachments and references and retained working documents fulfil the requirements of Direction 3.

***Direction 4: Plan the independent examination.***

*In order to plan the specific examination procedures appropriate to the circumstances of the charity, the examiner must review:*

- *the charity's constitution*
- *the way the organisation is controlled and managed*
- *whether action has been taken on any previous recommendations for improvement*
- *the accounting records and systems*
- *the charity's structure, its funds and how fund balances changed in the year*

- *the charity's activities in the year and spending and the financial risks the charity faces*

4.1 The Guidance requires the examiner to have an understanding of what the charity is aiming to do and how it goes about doing it and that examiner should know about the structure and objectives of the charity and the activities undertaken. I have reviewed the Constitution of the Sandbach U3A, Ref.1, and can confirm that the current year activities as detailed in the accounts, fully meet the Constitution's objectives of 'The advancement of education and, and in particular, the education of older people and those who are retired from full time work by all means, including associated activities conductive to learning and personal development'.

4.2. The examiner is required to vouch some transactions as a way of testing whether the accounting records have been kept to the required standard (see my response to Direction 5 below) and to check that one or more significant items shown in the accounts agree with the accounting records kept (see my response to Direction 6 below).

**Direction 5: Check that accounting records are kept to the required standard.**

5.*1 The examiner must ensure that accounting records have been kept in compliance with the relevant legislative requirements The trustees are responsible for maintaining adequate accounting records to fulfil their legal obligations. The records of the charity must include those of any branch that is part of the charity. The examiner must review the accounting records to identify any material failure to maintain such records in accordance with the trustees' legal duty.*

5.2 The accounting records.
I have reviewed a sample of the accounting records kept by the charity, References, 2, to 7, and can confirm that;

- Account details are kept of all income/money received and payments/expenditure made.
- The dates, and the nature of income/money received, or payments/expenditure made are recorded and a record of assets held is kept.
- Details of any assets and liabilities at the end of the reporting period are stated.
- The accounts are up to date at the time the accounts are prepared and are readily available.
- The accounts provide the basic information from which the charity's financial position can be understood on any selected date and at the end of the reporting period (financial year).

5.3 For membership fee payments and groups' income and expenditure, the accounts are computerised and managed by the SWISH system ['Sandbach WebIntegrated Support & Help']

5.4 **Membership Income**
Membership fees are collected and recorded in three ways;

- Membership Secretary, with SWISH system transactions entered by and money paid into Natwest Bank branch by Membership Secretary, SWISH system transfer then created by Membership Secretary.
- Cash and cheques received in library with SWISH system transactions entered by, and money paid into Natwest Bank branch, by Membership Secretary, SWISH system transfer then created by Membership Secretary.
- On line card payments with system transactions created automatically [less PayPal and Zettle fee]. Online bank transfer by Treasurer and system transfer created by Treasurer.

5.5 **Activity Groups Income;**
- Cash and cheques paid direct to Group Leaders [over a hundred groups] who access the group finance system to record attendances and payments received then pay into bank branch or by online transfer, accessing the finance system to record the payment.
- Each group has a bank paying in book with transaction serial numbers recognised by SWISH to allocate the payment to the relevant group.
- Some groups now take payment for a number of sessions upfront via email to group members.

5.6 Flow diagrams showing the processes for membership income and activity groups income are shown at Appendix 1.

5.7 Financial records including vouchers (invoices, receipts, claims and similar paperwork) have been kept by the charity to support the accounts (see Direction 6). The Trustees have ensured that the accounting records kept are a complete record by use of the SWISH system which can be interrogated to provide management reports.

5.8 **Social Activity Income and Expenditure**
Social activity income and expenditure is recorded in the SWISH summary.

5.9 Clarification on the treatment of the social income/expenditure within the accounts was sought in 2019 by the Trustees from the U3A National Office and the accounts are normally prepared in line with U3A National Office guidance.

5.9 **VAT**
Advice from the National U3a has been sort as to the VAT position of the U3a.

5.10 **Accounting Records Conclusions**
Whilst not intended to identify every omission or insignificant error in the keeping of accounting records this examination of a sample of the records has found no significant failure to maintain records in a manner consistent with the legal requirements. The accounting records are well-kept and well organised, capable of ready retrieval.

**Direction 6: Check that the accounts are consistent with the accounting records**.
*The examiner must compare the accounts of the charity with the charity's accounting records in sufficient detail to reasonably conclude that the accounts are not materially inconsistent with the accounting records.*

6.1 I have compared the accounts with a sample of the underlying accounting records to establish whether the accounts have been prepared properly and show what income the charity has received and how it has spent its charitable funds. I have checked that the accounting records kept include source documents such as invoices, purchase orders, Gift Aid records etc.

6.2 I have compared a number of transactions, to check the accuracy of the transactions entered against the source record or documentary evidence.

In addition to the income and expenditure statement and the balance sheet at 31st August 2025 the accounts include monthly summary tables showing the breakdown of Subscriptions, Yearly Bank Reconciliation, NatWest Bank Reconciliation, PayPal income/transfers, Admin Expenses to be paid, Income and Expenditure. I have not reviewed in detail the makeup of these summaries but the output from each summary can be seen to support the individual entries in the final Income and Expenditure statement.

**Direction 7**
*If the accounts are prepared on an accruals basis and one or more related party transactions took place the examiner must check if these were properly disclosed in the notes to the accounts.*

7.1 There are no related party transactions recorded in the accounts.

**Direction 8**
*Check the reasonableness of the significant estimates and judgments and accounting policies used in accounting for the types of fund held and in the preparation of the accounts.*

8.1 The two separate funds of the charity, [Main Activities and Social Activities] have been correctly accounted for and reported correctly in the accounts.

8.2 The estimates or judgments that have been made in preparing the accounts are considered to be reasonable.

8.3 Fixed assets are treated as expenses and are charged within the year of acquisition.

8.4 To the best of my knowledge the accounting policies adopted in preparation of the accounts on an accruals basis are consistent with the applicable Statement of Recommended Practice: Accounting and Reporting by Charities (SORP) and are appropriate to the activities of the U3A.

**Direction 9**

*The examiner must check whether the trustees have considered the financial circumstances of the charity at the end of the reporting period and, if the accounts are prepared on an accruals basis, check whether the trustees have made an assessment of the charity's position as a going concern when approving the accounts.*

*Where accruals accounts are prepared, the examiner must ensure that the disclosures about going concern required by the applicable Statement of Recommended Practice (SORP) are made and that the trustees' assessment of going concern is reasonable given the available information. In particular the examiner must check if any material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue as a going concern are disclosed in the notes to the accounts.*

*Where either receipts and payments or accruals accounts are prepared, the examiner must consider whether the trustees have assessed what invoices, bills and commitments remain outstanding at the end of the reporting period and whether the trustees have identified if they can settle these as and when they fall due.*

9.1 The charities funds come from membership subscriptions, events and group attendance fees. The charity aims, as a reserves policy, to maintain financial reserves level at least half the total annual venue costs and no more than half the total annual expenditure to cover any sudden increases in expenditure.

9.2 Because the Charities funds come from membership subscriptions and group attendance fees, and nearly every group's fee income covers its venue and activity costs, the groups in the main are self-financing. Regular reviews of each groups financial position are undertaken by the Fees Committee. If an activity does not take place the loss of activity fee income is usually matched by a much reduced or zero venue cost.

The charity is therefore able to settle its bills and meet its liabilities in a timely way and in the ordinary course of events without recourse to the reserves.

9.3 The trustees consider that they have adequate reserves and I have found no material discrepancy between the accounts and the level of reserves referred to in the trustees' annual report. Accruals accounts have been prepared on a going concern basis and the level of reserves and provision for bills as they fall is considered adequate.

K Saywell

Keith Saywell ACMA CGMA
Independent Examiner
Date 4th January 2026

Appendix 1 Chart showing Membership income flow in SWISH and Activity Groups' income flow in SWISH.

**References**


1. Constitution of Sandbach U3A

2. U3A Annual Accounts for the year ended 31st August 2025.

3. U3A Annual Accounts for the year ended 31st August 2024.

4. Check of invoices v payments for month of February 2025.

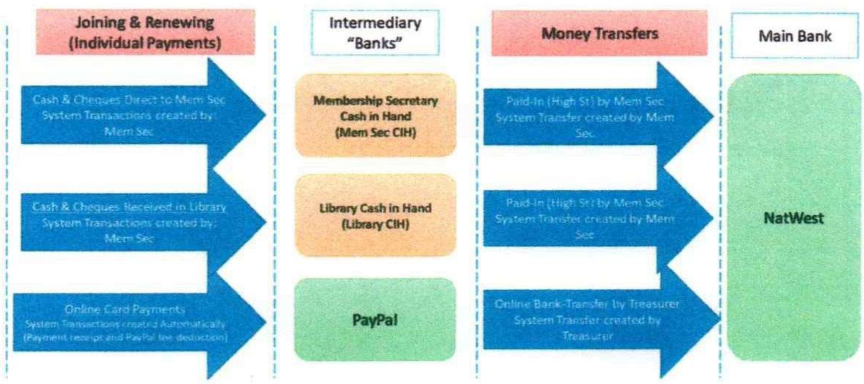
5. Random check of invoices v payments, all months

6. Check of Cash at Bank.

**Sandbach and District U3A Charity |No. 1105144**

**APPENDIX 1**

## Membership Income




## Activity Groups Income