

WESTHALL COMMUNITY PUB LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WESTHALL COMMUNITY PUB LIMITED

Opinion

We have audited the financial statements of Westhall Community Pub Limited (the 'society') for the year ended 31 July 2022 which comprise the profit and loss account, the balance sheet and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 105 *The Financial Reporting Standard applicable to the Micro-entities Regime* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements are in all material respects:

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, specifically FRS 105; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefits Society Act 2014.

Therefore under section 495(3A) of the Companies Act 2006, in our opinion the financial statements give a true and fair view of the state of the society's affairs as at 31 July 2022 and of its profit for the year then ended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter – application of true and fair view

The financial statements have been prepared under the micro-entities regime which does not require the directors or the auditor to consider the inclusion of any disclosures necessary to give a true and fair view where these go beyond the minimum disclosures required by the Companies Act 2006 as applied to micro-entities.

Other matter – comparatives

The comparative figures for the year ended 31 July 2021 are unaudited.

Going Concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the committee members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the committee were not entitled to prepare the financial statements in accordance with the micro-entities regime and take advantage of the micro-entities' exemptions from the requirements to prepare an annual report and a strategic report.

WESTHALL COMMUNITY PUB LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF WESTHALL COMMUNITY PUB LIMITED

Responsibilities of the Management Committee

The committee members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls the committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the committee is responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We have considered the nature of the society's industry and its control environment and reviewed the society's policies relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risk of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Co-operative and Community Benefits Society Act 2014, UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the society's ability to operate or to avoid a material penalty. These included licensing regulations, occupational health and safety regulation and employment legislation.

We discussed among the audit engagement team the opportunities and incentives which may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the area of revenue recognition and the potential for adjustments to arise between the pub till system and the accounting system, resulting in an under-declaration of turnover. We have substantively tested a sample of takings from throughout the year to confirm amounts recorded on the till system have been accurately recorded on the accounting system.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments and evaluated the business rationale of any significant transactions outside the course of normal business.

In addition to the above, our procedures to respond to the risks identified included the following:

- Enquiry of management and those charged with governance regarding actual and potential litigation and claims.
- Reviewing minutes of the Management Committee meetings.
- Reviewing financial statement disclosures.
- Testing to supporting documentation to assess compliance with applicable laws and regulations.

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As a result of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the society's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to micro-entities. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Leslie Newman FCA (Senior Statutory Auditor)

For and on behalf of Waveney Accountants Limited

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Date: