

Federation of Model Engineering Societies

Independent Audit of Accounts for Year Ending 31st December 2023

To the Federation Secretary
This is my Report, as Examiner.

I am Ian Keleher, Company Secretary of Harlington Locomotive Society. While I am not a qualified accountant, I am experienced with company accounts, audit procedures and using IT software.

This is my second year of undertaking an annual examination of the financial accounts maintained by David Goyder, currently Honorary Treasurer of the Federation.

I took receipt of the hard copy paperwork plus bank statements maintained by David on 19th December along with access to the SAGE accounting system.

Having completed a detailed review of the records I make the following observations:

- a) I could see that the Barclay Savings account was closed around mid November and all the funds (considerable) transferred to a new Lloyds account. I believe the monies are fully accounted for but I have seen no correspondence, in the paperwork I was given, indicating that it would be happening and who authorised it.
- b) Last year the paper trail documents were usually annotated with the appropriate Nominal Code when it was processed. While not essential this certainly made it easier to locate a transaction in Sage when doing the audit.
- c) One cheque payment stub (100065) was simply labelled 'Wally'. This was quite difficult to locate in the Ledger although the transaction was valid. I suggest slightly clearer descriptions would be beneficial.
- d) I found paper invoices for the Sage software charges for April and August but could not see a bank transaction for them. It is possible they are outstanding payments.
- e) On the 4th July it appears that the Littlehampton Society paid us £10.00 twice for the same transaction.
- f) I am aware it has been stated before but it is clear that without the insurance commission payments received from Walker Midgely the outgoings of the FMES significantly exceed the income and the business would not be sustainable. This is certainly a potential risk factor should anything change in the insurance world.

In summary:

- I believe that the accounts are in good order, complete and maintained in accordance with generally accepted accounting practises.
- The expenses claimed by individuals doing company business are extremely well documented and totally transparent.
- I took a good sample of different transactions and found that, with the exception of point d) above, the SAGE ledger transactions were supported by the appropriate paperwork.
- Bank reconciliations were consistent and complete to November.

- The book keeping is to a good standard and again supported my independent audit.

In my opinion the books of accounts honestly represent the financial activities of the Federation of Model Engineering Societies.

Ian Keleher

21st December 2023