

East Harptree Community Benefit Society Limited

AGM Motion 1

1. The AGM of East Harptree Community Benefit Society Limited (EHCBS) members is asked annually to consider a resolution before our financial year end (30 September) to disapply the need for an audit under section 84 of the Cooperative and Community Benefit Society Act 2014;

(1) A registered society may by resolution disapply section 83 (duty to appoint auditors) in respect of a year of account if—

(a) the total value of its assets at the end of the preceding year of account did not exceed £5,100,000, and

(b) its turnover for that preceding year did not exceed £10,200,000]

(2) The resolution must be passed at a general meeting at which—

(a) less than 20% of the total votes cast are cast against the resolution, and

(b) less than 10% of the society's members for the time being entitled under its rules to vote cast their votes against the resolution.

2. EHCBS satisfy section 84 subsection 1 and subsection 2 is noted
3. The resolution being put to members is;

East Harptree Community Benefit Society Limited members agree that under section 84 of the Co-operative and Community Benefit Societies Act 2014 by resolution they should disapply section 83 of the act (duty to appoint auditors) in respect of financial year ending 30 September 2025 as the total value of EHCBS assets at the end of the preceding year of accounts did not exceed £5,100,000, and the turnover for that preceding year did not exceed £10,200,000.

Chris Head
Secretary



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East Harptree Community Benefit Society Limited

Background note to Motion 1

Each financial year EHCBS has a duty to appoint auditors to audit our annual accounts unless Members decide that this is not necessary. In that event the Society must instead appoint an independent accountant to prepare a report on our accounts.

For our first year EHCBS appointed an experienced firm of accountants, David Cadwallader & Co. This firm was recommended by Plunkett and act for over 150 Community Benefit Societies like ours. They are qualified to either, audit our accounts, or provide an independent accountants report, depending on what Members decide.

Their quote for our previous financial year was £4,500 for an Audit, and £864 for a Report on Accounts. They have confirmed that all but two of their 150 or so CBS clients dis-apply the need for an audit and instead opt for the more cost-effective Report on Accounts.

The report on the accounts and balance sheet is less onerous than a full audit. The report must state whether, in the opinion of the qualified auditor making the report:

- (1) the revenue account or accounts, the other accounts (if any) to which the report relates, and the balance sheet are in agreement with the books of account kept by the society
- (2) on the basis of the information contained in the books of account, the statutory account complies with the requirements of the Act, and
- (3) the financial criteria allowing the production of a report instead of a full audit have been met.