



Our Ref: PC/AS/GAR6678

12 June 2026

Strictly Private and Confidential
Garioch Sports Centre (SCIO)
Burghmuir Drive
Inverurie
Aberdeenshire
AB51 4GY

FAO: Board of trustees

We are pleased to enclose our report in respect of our audit for the year ended 31 December 2025 of Garioch Sports Centre.

The primary purpose of this report is to communicate the significant findings arising from our audit that we believe are relevant to those charged with governance.

The scope and proposed focus of our audit work was summarised in our Audit Planning Report, which we have already communicated to you.

We have completed the majority of our audit work and expect to be able to issue an unmodified audit opinion on the financial statements.

As a firm we are embracing technology and innovation opportunities. Our work was performed using Inflo, which allows us to perform a data-driven Digital Audit, ensuring a high-quality and effective service.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Peter Cowan'.

Peter Cowan
Hall Morrice LLP

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Registered to carry out audit work and regulated for a range of business activities by the Institute of Chartered Accountants of Scotland. Details of our audit registration can be viewed at www.auditregister.org.uk under reference number 0068.

Hall Morrice LLP is a Limited Liability Partnership registered in Scotland (no.SO303198) with its registered office at the above address.



Audit Completion Report

Garioch Sports Centre

Year Ended 31 December 2025

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Executive Summary

Audit scope and approach

We have adopted a risk-based audit approach, focussing on the risks of the largest magnitude and with the greatest likelihood of material misstatement.

Our initial judgements in relation to planning and risk assessment have been updated to reflect the year end performance and the balance sheet position.

Use of digital and data technologies

Our work this year has been performed using Inflo's Digital Audit platform. Inflo provides a range of digital capabilities which facilitate a more collaborative and data-driven approach to auditing.

Our use of Inflo supports a high-quality audit, allowing us to analyse entire transaction populations through data analytics. We can also work more effectively and transparently with you through Inflo's digital collaboration, whether we are remote or on-site. And Inflo also allows us to extract additional insights to share with you as a value-adding perspective.



Audit status

Our detailed work on the audit of the Entity is largely complete. There are no other significant matters outstanding that need to be brought to your attention.

Significant audit and accounting matters

We approach our risk assessment using our knowledge of the Entity, the industry in which it operates, the extent to which controls meet their specific objectives, the relative materiality of individual balances and their impact on the financial statements.

This understanding helps us to form our point of view regarding audit risk, which drives our audit approach and forms the basis for planning and guiding all subsequent audit activities.

To do this we consider the significance of the combined magnitude and likelihood of each audit risk to the financial statements, resulting in a risk classification of significant (risks that appear on the upper end, red area of the Spectrum of Risks), elevated (risks that are appear within the middle, orange line of the Spectrum of Risks) and normal risks (risks that appear on the lower end, green area of the Spectrum of Risks).



The following significant risks have been identified:

- Management Override of Controls - Risk of management override of controls
- Subscription income (membership, tuition, etc) - Risk of fraud in subscriptions income recognition
- Events Income - Risk of fraud in charitable income recognition
- Sale of services (primary purpose or ancilliary trade) - Risk of fraud in services income recognition
- Donations - general - Risk of fraud in voluntary income recognition

We consider all other risks to be elevated or normal risks.

A summary of the work performed and the conclusion for each of these risks has been presented within Appendix A of this report.

Matters related to Internal Controls

Significant control deficiencies

There were no significant control deficiencies identified.

Material weaknesses

There were no material weaknesses identified.

Other findings

The other findings identified have been presented within Appendix D of this report.

Other matters

Fraud

Based on audit procedures performed, we have not noted any fraudulent activities of a material nature or value.

Subsequent events

We are not aware of any events occurring after the balance sheet date which would impact upon the presentation of the Entity's financial statements.

Laws and regulations

Based on audit procedures performed, we noted no instances of non-compliance with laws and regulations relevant to the Entity.

Litigation and claims

Based on audit procedures performed and management inquiry, there were no instances of events which might lead to litigations or claims.

Related party transactions

Based on audit procedures performed, no related party transactions outside of the normal course of trading have been identified.

Contingent assets/liabilities

Based on audit procedures performed and management inquiry, we are not aware of any significant contingent liabilities or assets that require disclosure in the Entity's financial statements.

Independence

We recognise the fundamental importance of independence and objectivity in all aspects of the work we perform and take great care in ensuring the correct procedures are in place to mitigate such risk. Independence and objectivity are critical to our ability to serve as auditors and thus are continually reviewed across the year to ensure our independence.

No issues have come to our attention over the course of the audit that need to be communicated to those charged with governance.

Non-Audit services

The following non-audit services have been performed during the year:

Fee Service Provider	Title of Service	Description of Service	Safeguards
Hall Morrice LLP	Payroll services and compliance	Monthly payroll is performed by Hall Morrice using the inputs provided by the client. Payroll reports, payslips and pension assessments are provided to the client.	The payroll team are independent of the audit team and are a competent payroll team who use compliant software.
Hall Morrice LLP	Preparation of 2025 accounts	The 2025 accounts are produced as a by-product of the audit.	All adjustments have to be approved by the client, all adjustments are fully reviewed and discussed before making the changes. The client has appropriate informed management in Beverley Mess, finance controller. All members of the accounts preparation team are completely

Fee Service Provider	Title of Service	Description of Service	Safeguards
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separate from the audit and are not involved in the process of auditing the financial statements.

Any other business

We ask that you confirm to us any knowledge of any events or factors that contradict the conclusions stated above.

Appendices

A. Summary of work performed and conclusions

CHARITABLE ACTIVITIES - EVENTS INCOME

Risk Name	Risk Level	Explanation of risk level
Risk of fraud in charitable income recognition	Significant - Fraud	<p>Likelihood: Revenue recognition is an area that is susceptible to being manipulated by management. It is presumed the likelihood of fraudulent manipulation is heightened.</p> <p>Magnitude: Increased magnitude risk as the balance is between 3 and 10 times performance materiality.</p>

Summary of work performed

We tested a sample of event income - mainly ticket sales and sponsorships to ensure the correct income was recorded. Cut off was tested to ensure that income was recorded in the correct period and reviewed policies and disclosures to ensure they were correct.

Conclusion

No issues to note from the testing performed. We are satisfied that the income is correctly recorded.

CHARITABLE ACTIVITIES - SALE OF SERVICES (PRIMARY PURPOSE OR ANCILLIARY TRADE)

Risk Name	Risk Level	Explanation of risk level
Risk of fraud in services income recognition	Significant - Fraud	<p>Likelihood: Revenue recognition is an area that is susceptible to being manipulated by management. It is presumed the likelihood of fraudulent manipulation is heightened.</p> <p>Magnitude: Increased magnitude risk as the balance is between 20 and 50 times performance materiality.</p>

Summary of work performed

We picked the sample based on the % of total income, with income being agreed to either invoices or third party backup. Cut off was tested to ensure that income was recorded in the correct period and reviewed policies and disclosures to ensure they were correct.

Conclusion

No issues to note from the testing performed. We are satisfied that the income is correctly recorded.

CHARITABLE ACTIVITIES - SUBSCRIPTION INCOME (MEMBERSHIP, TUITION, ETC)

Risk Name	Risk Level	Explanation of risk level
Risk of fraud in subscriptions income recognition	Significant - Fraud	<p>Likelihood: Revenue recognition is an area that is susceptible to being manipulated by management. It is presumed the likelihood of fraudulent manipulation is heightened.</p> <p>Magnitude: Increased magnitude risk as the balance is between 3 and 10 times performance materiality.</p>

Summary of work performed

For membership income we agreed the type of membership and price for that membership for a sample of individuals to the DD listing. Cut off was tested to ensure that income was recorded in the correct period and reviewed policies and disclosures to ensure they were correct.

Conclusion

No issues to note from the testing performed. We are satisfied that the income is correctly recorded.

MANAGEMENT OVERRIDE OF CONTROLS

Risk Name

Risk Level

Explanation of risk level

Risk of management override of controls

Significant - Fraud

Likelihood:

Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Magnitude:

Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Summary of work performed

Inflo Detect - journals testing sample selection and documentation Financial statement preparation journals review Review of accounting policies Review of significant unusual transactions

Conclusion

We have not identified any evidence of management override of controls from the testing carried out.

VOLUNTARY INCOME - DONATIONS - GENERAL

Risk Name

Risk Level

Explanation of risk level

Risk of fraud in voluntary income recognition

Significant - Fraud

Likelihood:

Revenue recognition is an area that is susceptible to being manipulated by management. It is presumed the likelihood of fraudulent manipulation is heightened.

Magnitude:

Revenue recognition is an area that is susceptible to being manipulated by management

Summary of work performed

I have tested proof in totalled the restricted income to the grant document to ensure that the full amount was received and then tested a quarterly payment after high reliance was taken on the proof in total. We reviewed pre and post year to ensure cut off was correct and

Conclusion

No issues to note with donations. We are satisfied that they are free from misstatement.

Summary of work performed

Conclusion

reviewed policies and disclosures to ensure they were correct.

B. Required communications

We are required to make a number of specific communications to those charged with governance. These communications and how they have been addressed are summarised in the table below:

	Planning	Completion
Copy of engagement letter to those charged with governance	✓	
Nature and scope of the engagement	✓	
Independence and objectivity confirmation	✓	✓
Detail of all non-audit services provided by the firm and related fees	✓	✓
Inquiry about knowledge of any actual, suspected or alleged fraud	✓	✓
Significant changes to the audit plan		✓
Corrected and uncorrected misstatements (Appendix C)		✓
Significant findings		✓
Proposed auditor's report		✓
Management representation letter		✓
Other required matters, or items identified during the engagement	✓	✓

C. Summary of Misstatements

During the audit work performed, we have identified the following misstatements:

Description	Debit	Credit	Type	Status
Release wrongly deferred donation	Deferred income (2110) - £1,095	Donations - general (4902) - £1,095	Factual Misstatement	Uncorrected
Being opening balance adjustments	Other accruals (2109) - £642 Events Income (4100) - £1,000 Direct costs (unspecified) (7104) - £1,702 Direct costs (unspecified) (7802) - £286 Direct costs (unspecified) (8201) - £692 Direct costs (unspecified) (8203) - £1,300 Wages and salaries (7002) - £20	Other equity (3200) - £4,752 Sale of services (primary purpose or ancilliary trade) (4011) - £1 Wages and salaries (7000) - £642 Direct costs (unspecified) (7406) - £247	Client Journal	Corrected
Being Loan interest for the period	Expenditure on charitable activities (7903) - £747	Bank loans and overdrafts (2301) - £747	Client Journal	Corrected
Being reclassification of Intercompany payment	Expenditure on charitable activities (7904) - £20,000	Amounts owed by group and associated undertakings (2101) - £20,000	Judgemental Misstatement	Corrected

Management have not adjusted the uncorrected misstatements above as they do not believe they are material to the financial statements.

D. Other Findings

Finding Type	Title	Description	Recommendation	Management Response
Control Deficiency	Same user login used for Sage	There is only one login to sage which is under Beverley's name. Aimee uses her login for processing and therefore there is no way of knowing who has posted the transactions.	To get a separate login for Aimee to be able to identify who the user is.	Client discussed that there was a cost associated with getting a sage which could allow for more than one user. It was decided that due to the amount of processing Aimee did, it was not worthwhile investing in this cost. We did note this finding would be carried forward.
Other Findings	Cash Sales	Lack of backup for cash sales which makes it a difficult to allocate to the correct source of income.	Hold accurate records for cash sales to allow the allocation of cash sales to be accurately determined and be traced back to source documentation.	