NGS
Nelson Gilmour Smith
Chartered Accountants and Business Advisers

Partners
A B Wilson
S Ogston
L D McAulay

Associate
D S Shanks

Our Ref AW/LG/M241 **Your Ref**

Make 2nds Count
34 South Gyle Crescent
Edinburgh
EH12 9EB

19 June 2026

Make 2nds Count

Audit Findings Report

Year ended 31 December 2025

Auditing standards require us to communicate audit matters to those charged with governance. We are also required to communicate any weaknesses in the accounting systems and internal controls as identified during our audit of the charity's financial statements.

Overall approach

Our audit was conducted in accordance with the Auditing Standards issued by the Auditing Practices Board and included such tests of transactions and of the existence, ownership and valuation of assets and liabilities, as we considered necessary.

We obtained an understanding of the accounting and internal control systems in order to assess their adequacy as a basis for the preparation of the financial statements and to establish whether the company has maintained proper accounting records. We obtained such appropriate evidence, as we considered sufficient to enable us to draw reasonable conclusions therefrom.

Our audit was not designed to identify all significant weaknesses in the company's systems but, if such weaknesses come to our notice during the course of our audit which we think should be brought to your attention, we shall report them to you.

Key risks

At the planning stage we identified management override of internal controls as a key area of focus. Systems of internal control are designed to mitigate risk. However, a management override or by-pass of controls cannot be eliminated by the implementation of controls therefore we performed additional tests to address this risk.

Office:
Mercantile Chambers
53 Bothwell Street
Glasgow G2 6TB

T 0141 221 0477
E accountants@ngs-ca.co.uk
W nelsongilmoursmith.co.uk

Also at:
47 Cadzow Street
Hamilton
Lanarkshire ML3 6ED

33 Kittoch Street
East Kilbride
Glasgow G74 4JW

Given the size and nature of the engagement our Audit adopted a substantive approach to testing

Audit opinion

During the audit there were no material misstatements found in the financial statements. There has been no material uncertainties, events or conditions identified, during the course of this audit, that could cast doubt on the going concern status of the Charity. Accordingly, our audit opinion has no modifications or emphasis of matter.

Recommendations on internal systems and controls

During the course of our audit, we identified the following areas that should be brought to your attention.

Allocation of invoices to the correct financial year

Whilst conducting cut-off testing for this year to ensure that income and expenses are correctly recognised in the period that they relate to, we discovered invoices which have been omitted from this year's financial statements in error. We found two entries relating to donations which have been recognised on Xero after the year end but the payments occurred in December 2025. We also found two expenses which occurred in December 2025, one of which should have been recognised as a creditor and the other as a prepayment in this year's financial statements.

While these amounts are immaterial, we would recommend that extra care is taken when posting invoices which occur near the year end to ensure that all amounts are recognised in the appropriate year, as required by Accounting Standards.

Wages reconciliation

There is a discrepancy between the payroll records and the wages expense as per the financial statements. It is our understanding that the way in which wages are posted to the nominal ledger was changed during the year to allow for more accurate reporting. Therefore the error is likely to have occurred during this process. The total difference is £1,096 which is immaterial and will be stated as an unadjusted error. We recommend that moving forward, wages records are reconciled to the nominal ledger on a monthly basis so that any differences can be identified at the time.

Segregation of duties

In common with most organisations of this size and in particular the small size of the finance/accounts department there is a lack of segregation of duties. We appreciate that it is impractical to maintain a comprehensive system of internal control, which provides all possible safeguards.

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Yours faithfully,

Nelson Gilmour Smith