

## **Annual General Meeting**

The Annual General Meeting (AGM), convened for 21 September 2023, was adjourned during the presentation of the audited accounts for the year ending March 2023. The Chair explained that we would reconvene the meeting when an Internal Audit Report commissioned by Southwark Council into funding provided to FCHS for external decorations, and some other associated issues, is available and Southwark have had an opportunity to consider it.

The background to this is that between 2008 and 2020 FCHS received £1.7m funding to carry out external decorations. In 2021-22, the Council took the decision to take responsibility for these works, and as part of this, to claw back money from the TMO that had not been spent for the intended purpose. The audit was, in part, to determine the amount to be recovered.

By October 2023 the audit was ongoing and we did not have an indication of when the report would be available. We therefore decided to reconvene the AGM. This was to allow us to give an update on the position with the Council's audit and deal with the other matters not dealt with at the September meeting. We planned to convene a further meeting when the audit outcome was available. The meeting was re convened for Monday 20 November 2023 but did not go ahead as the Chair was ill.

After Christmas we selected a new date in early March but decided to delay this for the reasons outlined below.

### **Audit**

Our audited accounts for 2022/2023 were completed by our auditor, Ray Williams of Appleby & Wood (London) Ltd., and signed by the relevant board members but Ray was unable to submit the accounts to the Financial Conduct Authority (FCA) because he lost his licence to practice. This meant that we had to appoint a new auditor to redo the work. We obtained three quotes and instructed John Millidge of Simpson Wreford & Partners. We are aiming for the accounts to be completed and filed by the end of March 2024. We are aware of the requirement to get authority from the AGM to appoint an auditor but under the circumstances, due to the urgency of the situation, the Board took the decision to appoint the new auditor.

### **Financial Conduct Authority**

As we did not submit our accounts on time the FCA issued a notice letting us know that they intend to cancel our registration on 30 April 2024. The reason they gave is that we failed to submit an annual return and accounts for 2023. We understand that if we submit the accounts before 30 April 2024 the cancellation notice will be lifted.

### **Southwark's position on repayment of external decorations allowances.**

We understand that the internal audit report has been completed and is being considered by the Council.

In February 2024 the Board notified the Council of our intention to make a payment of £1,000,000 on account towards the outstanding debt and their wish to enter into a repayment a structured repayment plan for the remaining balance.

We expect to hear the outcome of the audit and to be advised of the Council's position on our repayment proposal in March 2024. We hope to be able to reconvene the AGM in April 2024.