



INDEPENDENT EXAMINERS LTD LETTER OF ENGAGEMENT

Charity Name:

We are pleased to accept the appointment and this letter is to set out the basis on which we are to act and our respective responsibilities.

We are bound by the ethical guidelines that we set ourselves and we assure you we will act with the utmost integrity.

We will provide our professional services outlined in this letter with reasonable care and skill. However, we will not be responsible for any losses, penalties, surcharges, interest or tax liability arising from the supply by you or others of incorrect or incomplete information, or your or others' failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or the tax or other authorities. Any advice given is provided in good faith and may only be valid on the day that it is given.

Correspondence will be via email unless requested otherwise.

Anti Money Laundering Legislation

All accountants must comply with onerous duties imposed by the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2003 (the "Anti Money Laundering Legislation"), which are intended to inhibit the activities of terrorists and other criminals by denying them access to technical expertise. If we fail to perform these duties, we risk imprisonment.

Before we accept your instructions, we may need to obtain 'satisfactory evidence' to confirm your identity and that of one or more trustees. In certain circumstances, we may need to obtain evidence confirming the identities of the settlor, beneficiaries and any third parties, the source of any funds or other property, the purpose of any instructions or any other matter. We may also need to obtain such evidence after we have begun to act on your instructions.

We assume that our clients are honest and law abiding. However, if at any time, there appear to be grounds to suspect (even if we do not actually suspect) that your instructions relate to 'criminal property', we are obliged to make a report to the The Serious Organised Crime Agency (SOCA). But we are prohibited from telling you that we have done so.

In such circumstances, we must not act on your instructions without consent from SOCA. If SOCA do not refuse consent within 7 working days we may continue to act. If SOCA issue a refusal within that time, we must not act for a further 31 days from the date of the refusal.

'Criminal property' is property in any legal form, whether money, real property, rights or any benefit derived from criminal activity. It does not matter who carried out the criminal activity or how removed the property is from the original crime. Even if you are honest in your dealings, if your property represents a benefit from someone else's crime, we must still make a report.

Activity is considered 'criminal' if it is a crime under UK law, no matter how trivial, and whether carried out in the UK or abroad. For example, tax evasion is a criminal offence but an honest mistake is not.

INDEPENDENT EXAMINATION OF ANNUAL ACCOUNTS

Your responsibilities:

As Trustees you are responsible for keeping accounting records in compliance with section 145 of the Charities Act 2011.

You are responsible for making available to me all books, documents and other records and to provide information and explanations, which I may require for the purposes of the examination. You are required to inform us of all non – UK bank accounts held together with any credit card information issued by the banks in the UK, in particular with regard to any such credit cards being linked or funded by an offshore account

(Whilst you are responsible to determine whether the Charity meets the requirements for exemption from audit, I will verify this myself at the outset and immediately withdraw if exemption does not apply)

Responsibility for the prevention and detection of fraud, error or non-compliance rests with yourselves.

My responsibilities:

I am required under the Charities (Accounts and Reports) Regulations 1995 to produce a report to you following my examination.

In the report I must state whether any matter has come to my attention, which gives cause to believe that:

- Proper accounting records have not been kept,
- The accounts do not accord with such records, or
- The accounts fail to comply with relevant regulations.

The report will also include details of the following matters where they have become relevant:

- Material expenditure or action contrary to the trust deed,
- Failure to provide information or explanations to which the examiner is entitled, or
- Evidence that accounts prepared on an accruals basis are materially inconsistent with the Trustees' annual report.

The scope of my examination

It will be conducted in accordance with directions issued by the Charity Commissioners.

Although the legal responsibility for preparation of accounts rests with the Trustees I will assist you with the preparation of these accounts in the appropriate format. Draft accounts will be sent to you, which should be scrutinised carefully before they are finalised.

If during the examination, I find any other issues, which might be relevant to you; I will mention these in a separate informal report.

Incorporated Charities

The directors acknowledge their responsibility for ensuring that the company keeps proper accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and if its profit and loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

You will keep records of sales invoices, purchase invoices, receipts and payments, together with any other documents relating to the company's transactions and activities. It will also be necessary for you to provide a record of stock at the company's year end.

A private company is required to file its accounts at Companies House within 9 months of the year end. The company will be liable to a fine if it fails to do so. In order to avoid this we will produce statutory accounts, suitable for filing, within the required period, provided all your records are complete and presented to us within five months of the year end, and all subsequent queries are promptly and satisfactorily answered.

You have agreed to complete all the returns required by law, for example, the annual return and the notification of changes in directors. We shall, of course, be pleased to advise you on these and any other company secretarial matters if requested.

Responsibility of the accountants

In relation to the accounts, we will prepare the company's accounts on the basis of the information that is provided to us. We will also draft the accounts in accordance with the provisions of the Companies Act, and related Accounting Standards for approval by the Board.

Should our work lead us to conclude that the company is not entitled to exemption from an audit of the accounts, or should we be unable to reach a conclusion on this matter, then we will advise you of this.

You have instructed us to prepare your financial statements. It was agreed that we should carry out the following accounting and other services:

- Prepare the accounts for approval by yourselves.
- Carry out the Independent Examination where appropriate or liaise with the Auditor should one be required.

CHARITY FORMATION SERVICES

Nature of services

To carry out the work involved in either:

- Registering a CIO (Charitable Incorporated Organisation). This includes agreeing a Constitution and negotiating with the Charity Commission until registration is obtained.
- Registering a Charitable Trust or Constitution. This includes agreeing an appropriate governing document, having it duly signed and negotiating with the Charity Commission until registration is obtained.
- To agree a Memorandum and Articles of Association, have them duly signed and sworn and sent to Companies House and to negotiate with the Charity

Commission until registration is obtained, or the CIC Regulator (when appropriate).

- Amend an existing document and to negotiate with the Charity Commission where necessary.

Should an organisation ultimately fail to meet the Charity Commission's requirements for charitable registration, a fee shall be chargeable based on actual time spent working with the organisation in its attempt to register as a charity, calculated at our standard consultancy rate at the time.

CONSULTANCY AND TRAINING SERVICES

Nature of Services

Training

- To agree in advance a course of training dependent on the requirements of the Organisation
- To provide a training manual to back up the information supplied

Consultancy

- To provide initially a brief overview in relation to the query. These guidelines are only general and professional advice should be sought on a specific matter.
- If further investigation is required an hourly fee will be charged.
- Any visits and meetings to take place in an agreed venue with a fee agreed in advance

Retention of Records

During the course of our work we will collect information from you and others acting on your behalf and will return any original documents to you on completion of our work. In the event of non-payment of our fees for services rendered, we may exercise a particular right of lien over the books and records in our possession and withhold the documents until such time as payment of our invoice is received in full.

Applicable law

This engagement letter is governed by, and construed in accordance with, English law. The Courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction

File destruction

Whilst certain documents may legally belong to you, unless you tell us not to, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we think may be of continuing significance. If you require the retention of any document, you must notify us of that fact in writing and a fee will be charged for storage.

Customer service

We are committed to providing a high standard of customer service. If you have any ideas as to how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know. In the event that you have a complaint, we will look into this carefully and promptly and do all we can to explain the position to you or address your concerns.

Third parties

All accounts, statements and reports prepared by us are for your exclusive use within your business or to meet specific statutory responsibilities. No third party shall acquire any rights pursuant to our agreement to provide professional services and we shall not be liable for any work carried out by a third party.

Disclaimer

We will not be liable for any loss suffered by you or any third party as a result of our compliance with the Anti Money Laundering Legislation or any UK law or at all.

Fees

Our fees are computed on the basis of the time spent on your affairs by the Director and our staff and on the levels of skill and responsibility involved.

A fee will be agreed before the work is commenced. If when the work is commenced it appears that additional work is likely to be necessary this will be agreed with you before continuing.

We may request that clients make arrangements to pay a proportion of their fee in advance or on a monthly standing order. These standing orders will be applied to fees arising from work agreed in this letter of engagement for the current and ensuing years. Once we have been able to assess the amount of work and time involved we would be grateful if you would agree to pay an amount to us on a regular basis.

Our terms relating to payment of amounts invoiced and not covered by standing orders, where appropriate, are strictly 30 days net. Interest will be charged on all overdue debts at the rate for the time being applicable under the Late Payment of Commercial Debts (Interest) Act 1998, whichever is the higher

Agreement of Terms

The terms set out in this letter shall take effect immediately upon your countersigning this letter and returning it to us. Once it has been agreed, this letter will remain effective until it is replaced. We shall be grateful if you could confirm your agreement to these terms by signing the enclosed copy of this letter and returning it to us immediately

Signature..... Date.....

On Behalf of:.....(Charity Name)

Independent Examiners:

Independent Examiners Ltd.
Sovereign Centre, Poplars,
Yapton Lane, Walberton,
West Sussex,
BN18 0AS

Signature..... Date.....

On Behalf of:
Independent Examiners Ltd