

CCT Trustee Report for End Dec 22 Annual Return

Prepared by Tom and Yamila, Sep 2023

Structure, Governance and Management

Type of governing document: Constitution

How is the charity constituted: CIO (Foundation Model)

Trustee recruitment via Reach Volunteering and local forums.

We have a Trustee Handbook. The first Trustees have completed training with NCVO.

Organisational structure:

Chair

Secretary

Treasurer

Objectives and Activities

The CCT will manage and develop the Carnegie building on behalf of the community as a Community Hub and Enterprise Library, enhancing the lives of our local communities, strengthening the local economy, supporting local culture and encouraging wellbeing.

- The long-term sustainable future of the Carnegie Library building in Herne Hill will be secured as a community owned and managed asset.
- The building will provide wide public access and community use to include a wide range of activities that complement the learning, literary, cultural and creative ethos originally envisaged in Andrew Carnegie's endowment.
- The historical legacy and the architectural fabric of the building will be secured.

The Trustees of CCT CIO have developed and operate the Carnegie Library Hub at Carnegie Library. We operate under a licence currently renewed every 6 months, pending agreement of a long term lease.

The main activity of the Hub is to hire out the five rooms in the building, except the library room itself, for community and commercial activities to generate income. Wherever possible hires are community based, local and attract local residents. One room is dedicated to individual desk hires - the Enterprise Centre.

The Trustees have had regard to guidance issued by the Charity Commission on Public Benefit.

Volunteers make an important contribution by tending to the large garden area which surrounds the building.

Achievements and Performance

Our first employee was hired as Centre Manager in late 2021, thus we started the year with an excellent cross section of activities from pre-covid clients to new clients. The website and advertising helped kickstart this growth phase of the community hub. It was quickly recognised that managing the enquiries and bookings, as well as staffing events, required more resources. In March we hired a second Centre Manager, as well as several Caretakers who could staff evenings and weekends.

The community business or room hire continued to grow steadily throughout the year, made more efficient by use of a more streamlined enquiry process. In the last quarter we had a record 57 enquires for bookings, many of which converted into one-off or repeat bookings. By the end of the year our core business was breaking even.

One off partners were varied. We were very popular for children's parties, but also hosted one off events for refugees, NHS away days, filming, etc. Regular partners are equally diverse including karate, choir, yoga & wellness, craft, art, drama, ballet to name a few.

In the Autumn we ran an Autumn Fayre with food and entertainment in one large room, and local craft sellers in another. It was popular and well attended and raised awareness and funding.

We invested heavily in equipment. Using various funds, we purchased 100 premium folding chairs, 16 premium tables and trolleys. Additionally, we purchased some provisional café equipment which has immediate use for our hirers. We also invested in technology, purchasing laptops and ms365 licenses so that our teams could be more productive and connected. We continue to invest in communications and social media moving to a paid for model, rather than volunteer run. We were able to adopt a modern accounting system which streamlined invoice creation and payment.

Operating under license we continued to work with Lambeth Council on frequent updates to move towards a more permanent footing. We frequently fed back to Lambeth as the freeholder on steps needed to improve the community hub offering.

We ran an open tender process for running of a community café inviting local independent café operators. Our shortlist included 2 local operators, one of which was chosen for the next phase of planning and delivery.

We meet with the Chief Executive of Lambeth council in December 2022 to review our progress to date, confirm their commitment and outline existing bottlenecks to our success. We received affirmation from the Chief Executive of our current strategy.

During 2022 we were able to attract 4 more trustees and saying goodbye to one of the founding trustees taking the board to 7.

At the end of the year and going into the next, we were active in refining our business strategy, resource strategy and community response.

Financial Review

The financial position was stable - see accounts - as we had more outgoings in 2021.

Reserves held by the charity are detailed in the Statement of Financial Position on page 7 of the accounts. A Reserves Policy is under consideration.

In 2022 we hired 3 part time employees and several caretakers on casual worker contracts.

Income generated from room hires and grant applications.

The risks facing the charity as of end 2022 are:

1. Lambeth refurbishing plans for the building continue to be delayed, with active leaks in our rooms.
2. We are unable to secure an agreed lease.
3. The building - Carnegie Library - is not maintained in good enough repair for successful room hires.

The Carnegie Herne Hill Community Trust CIO
Unaudited Financial Statements
31 December 2022

WALTER HUNTER & CO LIMITED

Chartered accountants
24 Bridge Street
Newport
South Wales
NP20 4SF

The Carnegie Herne Hill Community Trust CIO

Financial Statements

Year ended 31 December 2022

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The Carnegie Herne Hill Community Trust CIO

Trustees' Annual Report

Year ended 31 December 2022

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 December 2022.

Reference and administrative details

Registered charity name	The Carnegie Herne Hill Community Trust CIO
Charity registration number	1164005
Principal office	Carnegie Library 192 Herne Hill Road Herne Hill LONDON SE24 0DG

The trustees

B Prince	
N McLeod	
Y B Karraz	
T Halahan	(Appointed 17 March 2022)
B Morrison	(Appointed 3 October 2022)
R Wilson	(Appointed 1 November 2022)
L Nightingale	(Appointed 1 November 2022)

Independent examiner	Mr Jonathan Rhodes BSc BFP FCA 24 Bridge Street Newport South Wales NP20 4SF
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Structure, governance and management

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The Carnegie Herne Hill Community Trust CIO

Trustees' Annual Report *(continued)*

Year ended 31 December 2022

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Volunteers make an important contribution by tending to the large garden area which surrounds the building.

The Carnegie Herne Hill Community Trust CIO

Trustees' Annual Report *(continued)*

Year ended 31 December 2022

Achievements and performance

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The Carnegie Herne Hill Community Trust CIO

Trustees' Annual Report *(continued)*

Year ended 31 December 2022

Financial review

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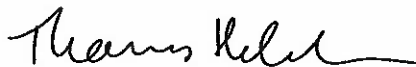
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2. We are unable to secure an agreed lease.
3. The building - Carnegie Library - is not maintained in good enough repair for successful room hires.

The trustees' annual report was approved on 5 October 2023 and signed on behalf of the board of trustees by:



T Halahan
Trustee

The Carnegie Herne Hill Community Trust CIO

Independent Examiner's Report to the Trustees of The Carnegie Herne Hill Community Trust CIO

Year ended 31 December 2022

I report to the trustees on my examination of the financial statements of The Carnegie Herne Hill Community Trust CIO ('the charity') for the year ended 31 December 2022.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Mr Jonathan Rhodes BSc BFP FCA
Independent Examiner

24 Bridge Street
Newport
South Wales
NP20 4SF

5 October 2023

The Carnegie Herne Hill Community Trust CIO

Statement of Financial Activities

Year ended 31 December 2022

		Unrestricted funds £	2022 Restricted funds £	Total funds £	2021 Total funds £
	Note				
Income and endowments					
Donations and legacies	4	38,175	—	38,175	42,686
Charitable activities	5	47,613	—	47,613	15,618
Total income		<u>85,788</u>	<u>—</u>	<u>85,788</u>	<u>58,304</u>
Expenditure					
Expenditure on charitable activities	6	36,330	22,590	58,920	9,538
Total expenditure		<u>36,330</u>	<u>22,590</u>	<u>58,920</u>	<u>9,538</u>
Net income and net movement in funds		<u>49,458</u>	<u>(22,590)</u>	<u>26,868</u>	<u>48,766</u>
Reconciliation of funds					
Total funds brought forward		48,662	26,922	75,584	26,818
Total funds carried forward		<u>98,120</u>	<u>4,332</u>	<u>102,452</u>	<u>75,584</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 8 to 15 form part of these financial statements.

The Carnegie Herne Hill Community Trust CIO

Statement of Financial Position

31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	11	4,332	—
Current assets			
Debtors	12	44,696	788
Cash at bank and in hand		65,438	75,937
		<u>110,134</u>	<u>76,725</u>
Creditors: amounts falling due within one year	13	<u>12,014</u>	<u>1,141</u>
Net current assets		<u>98,120</u>	<u>75,584</u>
Total assets less current liabilities		<u>102,452</u>	<u>75,584</u>
Net assets		<u>102,452</u>	<u>75,584</u>
Funds of the charity			
Restricted funds		4,332	26,922
Unrestricted funds		<u>98,120</u>	<u>48,662</u>
Total charity funds	16	<u>102,452</u>	<u>75,584</u>

These financial statements were approved by the board of trustees and authorised for issue on 5 October 2023, and are signed on behalf of the board by:



T Halahan
Trustee

The notes on pages 8 to 15 form part of these financial statements.

The Carnegie Herne Hill Community Trust CIO

Notes to the Financial Statements

Year ended 31 December 2022

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Carnegie Library, 192 Herne Hill Road, Herne Hill, LONDON, SE24 0DG.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity, rounded to the nearest pound.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Income tax

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

The Carnegie Herne Hill Community Trust CIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

The Carnegie Herne Hill Community Trust CIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery - 20% p.a. Straight Line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations	1,469	—	1,469
Donations - Endowment	1,706	—	1,706

The Carnegie Herne Hill Community Trust CIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

4. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Grants			
London Borough of Lambeth	35,000	—	35,000
London Catalyst	—	—	—
The London Community	—	—	—
	<u>38,175</u>	<u>—</u>	<u>38,175</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	686	—	686
Donations - Endowment	—	—	—
Grants			
London Borough of Lambeth	35,000	—	35,000
London Catalyst	—	2,000	2,000
The London Community	—	5,000	5,000
	<u>35,686</u>	<u>7,000</u>	<u>42,686</u>

5. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Room & Desk Hire	<u>47,613</u>	<u>47,613</u>	<u>15,618</u>	<u>15,618</u>

The Carnegie Herne Hill Community Trust CIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Room & Desk Hire	5,498	—	5,498
Awards for All	—	4,357	4,357
Co-Op Borough	—	15,565	15,565
London Borough of Lambeth	29,617	—	29,617
Catalyst	—	2,000	2,000
The London Community	—	668	668
Endowment	1,215	—	1,215
	<u>36,330</u>	<u>22,590</u>	<u>58,920</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Room & Desk Hire	1,952	—	1,952
Awards for All	—	1,131	1,131
Co-Op Borough	—	2,847	2,847
London Borough of Lambeth	3,608	—	3,608
Catalyst	—	—	—
The London Community	—	—	—
Endowment	—	—	—
	<u>5,560</u>	<u>3,978</u>	<u>9,538</u>

7. Net income

Net income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	<u>667</u>	<u>—</u>

8. Independent examination fees

	2022 £	2021 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,254</u>	<u>1,140</u>

9. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022 £	2021 £
Wages and salaries	39,283	—
Employer contributions to pension plans	284	—
	<u>39,567</u>	<u>—</u>

The Carnegie Herne Hill Community Trust CIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

9. Staff costs *(continued)*

The average head count of employees during the year was 3 (2021: Nil).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

10. Trustee remuneration and expenses

No remuneration or expenses or other benefits from employment with the charity or a related entity were received by the trustees.

11. Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2022	–
Additions	4,999
At 31 December 2022	4,999
Depreciation	
At 1 January 2022	–
Charge for the year	667
At 31 December 2022	667
Carrying amount	
At 31 December 2022	4,332
At 31 December 2021	–

12. Debtors

	2022 £	2021 £
Trade debtors	44,696	788

13. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	11	–
Accruals and deferred income	11,254	1,141
Social security and other taxes	635	–
Other creditors	114	–
	12,014	1,141

The Carnegie Herne Hill Community Trust CIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

14. Deferred income

	2022	2021
	£	£
Amount deferred in year	10,000	—

15. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £284 (2021: £Nil).

16. Analysis of charitable funds

Unrestricted funds

	At 1 January 2022	Income	Expenditure	At 31 December 2022
	£	£	£	£
General funds	17,269	49,082	(5,498)	60,853
London Borough of Lambeth	31,393	35,000	(29,617)	36,776
Endowment	—	1,706	(1,215)	491
	<u>48,662</u>	<u>85,788</u>	<u>(36,330)</u>	<u>98,120</u>

	At 1 January 2021	Income	Expenditure	At 31 December 2021
	£	£	£	£
General funds	2,918	16,304	(1,953)	17,269
London Borough of Lambeth	—	35,000	(3,607)	31,393
Endowment	—	—	—	—
	<u>2,918</u>	<u>51,304</u>	<u>(5,560)</u>	<u>48,662</u>

The Carnegie Herne Hill Community Trust CIO

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

16. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 January 2022	Income	Expenditure	At 31 December 2022
	£	£	£	£
Awards for All	4,357	—	(4,357)	—
Co-Op Borough	15,565	—	(15,565)	—
London Catalyst	2,000	—	(2,000)	—
The London Community	5,000	—	(668)	4,332
	<u>26,922</u>	<u>—</u>	<u>(22,590)</u>	<u>4,332</u>

	At 1 January 2021	Income	Expenditure	At 31 December 2021
	£	£	£	£
Awards for All	5,488	—	(1,131)	4,357
Co-Op Borough	18,412	—	(2,847)	15,565
London Catalyst	—	2,000	—	2,000
The London Community	—	5,000	—	5,000
	<u>23,900</u>	<u>7,000</u>	<u>(3,978)</u>	<u>26,922</u>

17. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	—	4,332	4,332
Current assets	110,134	—	110,134
Creditors less than 1 year	(12,014)	—	(12,014)
Net assets	<u>98,120</u>	<u>4,332</u>	<u>102,452</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	—	—	—
Current assets	48,662	26,922	75,584
Creditors less than 1 year	—	—	—
Net assets	<u>48,662</u>	<u>26,922</u>	<u>75,584</u>

Our ref: JR/GT

05 October 2023

The Directors
Carnegie Herne Hill Community Trust
Carnegie Library
192 Herne Hill Road
Herne Hill
LONDON
SE24 0AG

Dear Sirs

We are pleased to be appointed as your accountants.

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountant and advisors to the charity in respect of the independent examination you have requested us to carry out and to clarify our respective responsibilities in respect of that work.

1 Your responsibilities as trustees/directors

1.1 Our independent examination will be conducted on the basis that you acknowledge and understand that you have responsibility:

- (a) to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources of the charitable company for that period. As directors/trustees, you must not approve the financial statements unless you are satisfied that they give a true and fair view of the assets, liabilities, financial position and surplus or deficit of the charitable company;
- (b) in preparing those financial statements, to:
 - (i) select suitable accounting policies and then apply them consistently;
 - (ii) make judgments and accounting estimates that are reasonable and prudent; and
 - (iii) prepare the financial statements on the going concern basis, considering in particular the charitable company's ability to continue in operation for at least twelve months from the date when the financial statements are expected to be approved, unless it is inappropriate to presume that the charitable company will continue in operation;
- (b) for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the relevant SORP, the Companies Act 2006 (CA 2006) and applicable accounting standards. You are also responsible for such internal control as you determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error; and

- (d) for safeguarding the assets of the charitable company and hence for taking reasonable steps to ensure the charitable company's activities are conducted honestly and for the prevention and detection of fraud and other irregularities.
- 1.2 As trustees of the charitable company, you have a duty under CA 2006 to prepare a directors' report for each financial year and also an annual report complying in its form and content with regulations made under the Charities Act 2011 (ChA 2011). You should also have regard to the relevant Statement of Recommended Practice Accounting and Reporting by Charities (SORP), published jointly by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator, and any subsequent amendments or variations to this statement.
- 1.3 In addition to the general duties of directors specified in CA 2006 s. 170-177, you are responsible for ensuring that the charitable company complies with laws and regulations applicable to its activities, and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any that occur.
- 1.4 You are also responsible for determining whether, in respect of the year, the charity meets the conditions for exemption from an audit set out in the ChA 2011 and the CA 2006, namely that:
- (a) no notice has been received from the Charity Commission requiring an audit;
 - (b) no notice has been received from the members requiring an audit;
 - (c) the charity's gross income in the current year is not more than £500,000 for years ending before 31 March 2015, or £1m for years ending on or after this date;
 - (d) where gross income exceeds £250,000, the charity's gross assets do not exceed £3.26m; and
 - (e) the charity is not ineligible for audit exemption under the CA 2006.
- 1.5 The exemption from audit is available only if you, as director/trustees, sign a declaration on the balance sheet stating that:
- (a) for the year in question, the company is eligible to take advantage of the audit exemptions;
 - (b) the members have not required the company to obtain an audit of its financial statements for the year in accordance with CA 2006, s. 476; and
 - (c) you acknowledge your obligations for complying with the requirements of CA 2006 with respect to accounting records and preparation of financial statements.
- 1.6 The availability of the exemption from an audit of the financial statements is conditional upon your causing an independent examiners' report to be prepared in respect of the financial statements in accordance with the ChA 2011, s. 145. You are responsible for deciding whether that report shall be made and for appointing us as reporting accountants to make that report to the trustees of the charity.
- 1.7 If gross income falls to £25,000 or less for the year, then, provided the other criteria set out above are met, you will need neither an audit nor an independent examiner's report.

- 1.8 You have undertaken to make available to us, as and when required, all the charity's accounting records and related financial information, including minutes of management and members' meetings, necessary to carry out our work. You will make full disclosure to us of all relevant information.

2 Our responsibilities as independent examiners

- 2.1 We shall plan our work on the basis that an independent examiner's report is required for the year, unless you inform us in writing that either:
- (a) the charity requires an audit of the financial statements; or
 - (b) the charity requires neither an audit nor an independent examiner's report.
- 2.2 Should you instruct us to carry out an audit, then the terms of that assignment will be dealt with in a new engagement letter. Should you inform us that the charity requires neither an audit nor an independent examiner's report, then we shall have no responsibilities to the charity, except those specifically agreed upon between us in respect of other professional services.
- 2.3 As independent examiners, we have a statutory responsibility to report to the members of the charity whether, in our opinion, there is reasonable cause to believe that, in any material respect:
- (a) adequate accounting records have not been kept, contrary to the requirements of the CA 2006;
 - (b) the financial statements do not agree with those accounting records; or
 - (c) the financial statements do not comply with any of the accounting requirements specified in the Charities (Accounts and Reports) Regulations 2008 (SI 2008/629), Regulation 4 (or 5 for common investment funds or common deposit funds) and applicable accounting standards, except to the extent necessary to show a true and fair view.
- 2.4 Should our work indicate that the charity is not entitled to exemption from an audit of the financial statements then we will inform you. In such circumstances, we will not issue any report and will withdraw from the engagement to prepare an independent examiner's report, notifying you in writing of the reasons. In these circumstances, if appropriate, we will discuss with you the possibility of appointing us as auditors.
- 2.5 We have a professional responsibility not to allow our name to be associated with financial statements that are, or may be, misleading. Therefore, although we are not required to search for such matters, should we become aware, for any reason, that the financial statements are, or may be, misleading, if the matter cannot be adequately dealt with by means of qualifying our opinion (or by other appropriate modifications of the report), we will not issue any report. In such circumstances, we will withdraw from the engagement, and will notify you in writing of the reasons. In these circumstances you agree that we have a right to invoice you for our time spent examining the financial statements and for time spent on any other work that is not completed as a result of our resignation.

- 2.6 Under the ChA 2011, s. 156(2), we have a statutory duty to make a written report to the Charity Commission on such matters (which relates to the activities or affairs of the charity or of any connected institution or body) of which we become aware during the course of our examination and which we have reasonable cause to believe is likely to be of material significance for the purposes of the exercise by the Commission of its functions under the ChA 2011, s. 156(3). In addition under s. 156(4) if we become aware of any matter which does not require to be reported under s. 156(2) but which we have reasonable cause to believe is likely to be relevant for the purposes of the exercise by the Charity Commission of any of its functions then we may make a report on the matter to the Commission. We may have to make this report without your knowledge and consent and we cannot undertake to you to fetter this discretion in any manner.

Scope of independent examination

- 2.7 Our work as independent examiners will be carried out in accordance with guidance for such engagements issued by the Charity Commission. It will consist of comparing the financial statements with the accounting records kept by the charity, and making such limited enquiries of the trustees and staff of the charity as we may consider necessary for the purpose of our report.
- 2.8 As part of our normal procedures, we may request you to provide written confirmation of any information or explanations provided by you orally during the course of our work.
- 2.9 Our work as independent examiners will not be an audit of the financial statements in accordance with International Standards on Auditing (UK). Accordingly, we will not obtain any independent evidence relating to entries in the accounting records, or to the amounts or disclosures in the financial statements. Consequently our work as independent examiners will not provide any assurance that the accounting records or the financial statements are free from material misstatement whether caused by fraud, other irregularity or error.
- 2.10 Because we will not carry out an audit, nor otherwise confirm the accuracy or reasonableness of the accounting records maintained by the charity, we will be unable to provide any assurance as to whether the financial statements that we prepare from those records give a true and fair view.

3 Limitation of liability

- 3.1 We have discussed with you the extent of our liability to you in respect of the professional services described within this engagement letter (the professional services).
- 3.2 Having considered both your circumstances and our own, we have reached a mutual agreement that £50,000 represents a fair maximum limit to our liability as a firm in the event of any one claim arising in respect of the professional services. This maximum total liability includes any claims for loss or damage, however caused, whether in respect of breaches of contract, tort (including negligence) or otherwise in respect of the professional services and shall also include all other related costs including legal fees, interest, etc.
- 3.3 We acknowledge that the limit in respect of our total aggregate liability will not apply to any acts, omissions or representations that are in any way criminal, dishonest or fraudulent on the part of the firm, its principals or employees.

4 Agreement of terms

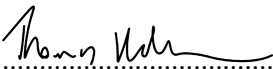
- 4.1 This engagement will start with your accounts period ending on 31 December 2022.
- 4.2 We will not be responsible for earlier years.

- 4.3 You or we may agree to vary or terminate our authority to act on your behalf at any time without penalty. Notice of variation or termination must be given in writing.
- 4.4 The terms set out in this letter and our Standard Terms of Business available to view on our website at www.walterhunter.com (last revised 2023) shall take effect immediately upon your countersigning this letter and returning it to us. If we are instructed to start work before receiving a signed copy of this letter we will treat that as acceptance of all the terms of this engagement letter, unless we hear from you to the contrary within 30 days of you giving that instruction.
- 4.5 Once it has been agreed, this letter and the Standard Terms of Business available to view on our website at www.walterhunter.com will remain effective until they are 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. If this letter and the terms of business are not in accordance with your understanding of our terms of appointment, please let us know.

Yours sincerely,

Walter Hunter & Co Ltd

I confirm that I have read and understood the contents of this letter and the attached Standard Terms of Business and agree that they accurately reflect the services that I have instructed you to provide.

Signed  Dated 05/10/2023

For and on behalf of Carnegie Herne Hill Community Trust