

The Trustees  
Cavaliers in Need  
68 Silverwood Leaves  
Lurgan  
CRAIGAVON  
BT67 6LB

1 March 2024

Dear Trustees

The purpose of this letter is to set out the basis on which we are to act as examiners of the charity and the respective areas of responsibility of the Trustees and of ourselves.

## **1 Responsibilities of trustees and examiner**

1.1 As trustees of the above charity, you are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and to enable you to ensure that the financial statements comply with the Charity's SORP. You are also responsible for preparing financial statements which give a true and fair view and have been prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Charity's SORP, the Charities Act (Northern Ireland) 2008 and regulations made under them.

1.2 In preparing these financial statements, you are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation; [and]
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

You also have a responsibility not to approve these financial statements unless you are satisfied that they give a true and fair view.

1.3 As trustees of a charity, you have a duty under the Charities Act (Northern Ireland) 2008 to prepare a trustees' report and also an annual report for each financial year complying in its form and content with regulations made under the Charities Act (Northern Ireland) 2008. You should also have regard to the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities', issued in 2005 by the Charity Commission for Northern Ireland, and any subsequent amendments or variations to this statement.

1.4 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. Additionally, you are responsible for making available to us, as and when required, all the charity's accounting records and all other relevant records and related information, including minutes of all management meetings and additional information that we may request. You will also provide us with unrestricted access to persons within the charity from whom we determine it is necessary to obtain examination evidence.

You are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

- 1.5 You are also required to confirm in the directors' report that so far as you are aware, there is no relevant examination information of which we, as the charity's examiners, are unaware and that you have taken all the steps that you ought to take as directors in order to make yourselves aware of any relevant examination information and to establish that we are aware of that information. We are entitled to require from the charity's officers such other information and explanations as we think necessary for the performance of our duties as examiners.
- 1.6 Under the Charities Act (Northern Ireland) 2008 we have a statutory responsibility to report to the members whether in our opinion the financial statements are in accordance with the accounting records, whether they have been properly prepared in accordance with the Charities Act (Northern Ireland) 2008. We also have a statutory responsibility to state in our report whether in our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements. In addition, we have a statutory responsibility to report by exception if, in our opinion:
- adequate accounting records have not been kept by the charity or returns adequate for our examination have not been received from branches not visited by us;
  - the charity's financial statements are not in agreement with the accounting records and returns;
  - certain disclosures of trustees' remuneration specified by law are not made;
  - we have not obtained all the information and explanations which we consider necessary for the purposes of our examination.

If we have nothing to report in respect of the above matters we will include a statement in our report confirming this.

- 1.7 Our report will be made solely to the charity's members, as a body, in accordance with the Charities Act (Northern Ireland) 2008. Our examination work will be undertaken so that we might state to the charity's members those matters we are required to state to them in an examiner's report and for no other purpose. In those circumstances, to the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our examination work, for the examination report, or for the opinions we form. The examination of the financial statements does not relieve you of your responsibilities.
- 1.8 Donald Minshull is responsible for the examiners' report and will sign the examiners' report in his own name on behalf of the firm.
- 1.9 Under the Charities Acts 2008 to 2013 and the SORP you are required to report as to whether you have given consideration to the major risks to which the charity is exposed, and to the systems designed to manage those risks. We are not required to examine this statement, or to form an opinion on the effectiveness of the risk management and control procedures.
- 1.10 We have a professional responsibility to report if the financial statements do not comply in any material respect with applicable accounting standards, unless in our opinion the non-compliance is justified in the circumstances. In determining whether or not the departure is justified we consider whether:
- the departure is required in order for the financial statements to give a true and fair view; and
  - adequate disclosure has been made concerning the departure.



- 1.11 Our professional responsibilities also include considering whether other information in documents containing examined financial statements is consistent with those financial statements.
- 1.12 The provision of examination services is a business in the regulated sector under the Proceeds of Crime Act 2002 and, as such partners and staff in examination firms have to comply with this legislation which includes provisions that may require us to make a money laundering disclosure in relation to information we obtain as part of our normal examination work. It is not our practice to inform you when such a disclosure is made or the reasons for it because of the restrictions imposed by the 'tipping off' provisions of the legislation.
- 1.13 In the event that we cease to act as statutory examiners for the charity we are required by the Charities Act (Northern Ireland) 2008 to make available, if requested, all relevant information concerning the examination of the charity to our successors as independent examiners. You agree to cover any reasonable costs of making such information available that we may incur in fulfilling our statutory duty.

## **2 Scope of examination**

- 2.1 Our examination will be conducted in accordance with the International Standards.
- Our work will be planned in advance and incorporated into an examination plan. This may be varied on the basis of our findings during the course of an examination from year to year. Accordingly, we may modify our examination scope, rotate our examination emphasis and propose matters of special examination emphasis, as circumstances dictate.
- 2.2 We shall obtain 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 adequate accounting records have been maintained by the charity. We shall expect to obtain such appropriate evidence as we consider sufficient to enable us to draw reasonable conclusions therefrom.
- 2.3 The information used by you in preparing the financial statements will invariably include facts or judgments which are not themselves recorded in the accounting records. As part of our normal examination procedures, we may ask you to provide written confirmation each year of such facts or judgments and any other oral representations that we have received from you during the course of the examination on matters having a material effect on the financial statements.
- 2.4 In order to assist us with the examination of your financial statements, we shall request sight of all documents or statements, including the trustees' report, which are due to be issued with the financial statements. We are also entitled to attend all general meetings of the charity and to receive notice of all such meetings as well as to receive details of all written resolutions that are to be circulated to members.
- 2.5 The responsibility for safeguarding the assets of the charity and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with yourselves.
- 2.6 We shall not be treated as having notice, for the purposes of our examination responsibilities, of information provided to members of our firm other than those engaged on the examination (for example information provided in connection with accounting, taxation and other services).
- 2.7 Once we have issued our report we have no further direct responsibility in relation to the financial statements for that financial year

- 2.8 We appreciate that the present size of your charity renders it uneconomic to create a system of internal control based on the segregation of duties for different functions within each area of the charity. In the running of your charity we understand that the trustees are closely involved with the control of the charity's transactions. In planning and performing our examination work we shall take account of this supervision.

### **3 Communication**

In order to promote effective two-way communication between us we set out below the expected form and timing of such communications.

- We shall communicate with the officers responsible in the weeks around each year-end for preliminary discussions concerning the examination. We will confirm in writing if required the matters discussed and any agreed action.
- We will arrange a meeting to discuss the forthcoming examination, including an overview of the planned scope and timing of the examination in the two weeks prior to the expected start date. Again we will confirm in writing if required the matters discussed and any agreed action.
- We will arrange a meeting, if necessary, to discuss the significant findings from the examination within 2 weeks of completing our work. Again we will confirm in writing the matters discussed and any agreed action.

The formal communications set out above are a guide to what can be required - we shall of course contact you on a more frequent and regular basis regarding both examination and other matters if necessary.

### **4 Other service**

Accounting

We shall prepare the financial statements from the records presented to us.

### **5 Fees**

- 5.1 Our fees are computed on the basis of the time spent on your affairs by the partners and our staff and on the levels of skill and responsibility involved. Unless otherwise agreed, our fees will be billed at appropriate intervals during the course of the year and will be due on presentation.

- 5.2 If it is necessary to carry out work outside the responsibilities outlined in this letter it will involve additional fees. Accordingly we would like to point out that it is in your interests to ensure that your records etc, are completed to the agreed stage.

Our fees will exclude out of pocket expenses.

- 5.3 Invoices are payable in full before the report is signed and the accounts are made available for filing.
- 5.4 It is our normal practice to offer that clients make arrangements to pay a proportion of their fee 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 happy if you prefer to pay an amount to us on a regular basis.
- 5.5 Our terms relating to payment of amounts invoiced and not covered by standing orders, where appropriate, are strictly 30 days net. Prompt payment discounts may only be taken if the payment is received by us within 14 days of the date of issue of any invoice. Interest will be charged on all overdue debts at the rate stated on the invoice, which is currently the rate for the time being applicable under the Late Payment of Commercial Debts (Interest) Act 1998.

## **6 Retention of and access to records**

- 6.1 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 following the preparation and examination of your accounts.

## **7 Applicable law**

- 7.1 This engagement letter shall be governed by, and construed in accordance with Northern Irish law. The Courts of Northern Ireland shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.
- 7.2 Persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.
- 7.3 The advice we give you is for your sole use and is confidential to you and will not constitute advice for any third party to whom you may communicate it. We will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

## **8 Electronic communication**

- 8.1 Internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communications after their despatch. It may therefore be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. We do not accept responsibility for any errors or problems that may arise through the use of internet communication and all risks connected with sending commercially sensitive information relating to your charity are borne by you. If you do not agree to accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication.
- 8.2.1 It is the responsibility of the recipient to carry out a virus check on any attachments received.

## **9 Data Protection Act**

We may obtain, use, process and disclose personal data about you in order that we may discharge the services agreed under this engagement letter, and for other related purposes including updating and enhancing client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance. We confirm when processing data on your behalf that we will comply with the relevant provisions of the Data Protection Act - we have contacted you recently in this regard.

## **10 Confidentiality**

Where you give us confidential information, we confirm that we shall at all times keep it confidential, other than as required by law or as provided for in regulatory, ethical or other professional statements relevant to our engagement.

## **11 External review**

As part of our ongoing commitment to providing a quality service, our files are periodically reviewed by an independent regulatory or quality control body. These reviewers are highly experienced and professional people and, of course, are bound by the same rules for confidentiality as us.

## **12 Quality of service**

We aim to provide you with a fully satisfactory service and Donald Minshull as engagement partner will seek to ensure that this is so. If, however, you are unable to deal with any difficulty through him and his team please contact us. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If we do not answer your complaint to your satisfaction you may of course take up the matter with the Chartered Accountants Ireland by whom we are regulated for examination purposes.

## **13 Professional rules and practice guidelines**

We will observe and act in accordance with the bye-laws, regulations and Code of Ethics of the Institute of Chartered Accountants in Ireland and accept instructions to act for you on this basis. [In particular you give us the authority to correct errors made by HMRC where we become aware of them.] We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations. You can see copies of these requirements in our offices. The requirements are also available on the internet on Chartered Accountants Ireland website.

## **14 Conflicts of interest**

We reserve the right during our engagement with you to deliver services to other clients whose interests might compete with yours or are or may be adverse to yours, [subject to our confidentiality clause]. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting the charity.

If a conflict of interest should arise, either between two or more of our clients, or in the provision of multiple services to a single client, we will take such steps as are necessary to deal with the conflict. In resolving the conflict, we would be guided by our Code of Ethics which can be reviewed on the internet.

## **15 The Provision of Services Regulations 2009**

- 15.1 Our professional indemnity insurer is HCC International. The territorial coverage is worldwide excluding professional business carried out from an office in the United States of America or Canada and excludes any action for a claim brought in any court in the United States or Canada.

## 16 Agreement of terms

The terms set out in this letter shall take effect immediately upon your countersigning this letter and returning it to us or upon the commencement of the examination and accounts preparation for the accounting year ended 31 August 2024, whichever is the earlier.

These terms will also apply to any matter dealt with in respect of periods prior to the year ended 31 August 2024.

Once it has been agreed, this letter will remain effective, from one examination appointment to another, until it is replaced. We shall be grateful if you could confirm in writing your agreement to these terms by signing and returning the enclosed copy of this letter, or let us know if they are not in accordance with your understanding of our terms of engagement.

Yours faithfully



We agree to the terms of this letter

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Signed, for and on behalf of Cavaliers In Need

1 March 2024

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