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Private & confidential

The Trustees
Wormwood Scrubs Charitable Trust
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Our ref LBHF/WWS/2017-18

6 September 2018

Dear Trustees

Wormwood Scrubs Charitable Trust 2017-18 Financial Statements

This letter presents our key findings from our audit of the 2017-18 accounts of Wormwood Scrubs Charitable Trust. It supports the opinions and conclusions that we are required to provide you with to comply with the requirements of *ISA 260 Communication of Audit Matters with Those Charged with Governance (ISA 260)*, in this case **Wormwood Scrubs Charitable Trust Committee**, at the time when they are considering the financial statements.

Objective of our audit

Our audit work was designed to consider whether the financial statements of Wormwood Scrubs Charitable Trust give a true and fair view of its state of affairs as at 31 March 2018 and of its results for the year to 31 March 2018 and that the financial statements have been properly prepared in accordance with UK GAAP.

We use our knowledge of Wormwood Scrubs Charitable Trust gained during our audit work to make useful suggestions for you to consider. You will appreciate that our routine audit work is designed to enable us to form an audit opinion on the financial statements of Wormwood Scrubs Charitable Trust and should not be relied upon to disclose errors or irregularities which are not material in relation to those financial statements.

Our independence

ISA 260 requires us to communicate at least once a year regarding all relationships between KPMG and Wormwood Scrubs Charitable Trust that may be reasonably thought to have a bearing on our independence. We have made enquiries of all KPMG teams providing services to Wormwood Scrubs Charitable Trust and are not aware of any relationships which present independence issues. No additional non-audit fees



have been paid to KPMG LLP by Wormwood Scrubs Charitable Trust in the year ended 31 March 2018. A statement of our independence is included within appendix one.

Audit progress and status

We are nearing completion of our audit of the 2017-18 Wormwood Scrubs Charitable Trust and expect to issue an unqualified audit opinion following approval at your Audit Committee on 19 September 2018 subject to receipt of your Trustees report, the receipt of our 2017-18 Management Representations Letter and satisfactory completion of our post balance sheet review procedures up to the date of signing the financial statements.

Audit differences

We are required by *ISA 260 - Communication of Audit Matters to Those Charged with Governance* to communicate all uncorrected misstatements, other than those that we believe are clearly trivial to Wormwood Scrubs Charitable Trust Committee. There are no uncorrected misstatements.

We are required by *ISA 260 – Communication of Audit Matter to Those Charged with Governance* to communicate all adjusted misstatements, other than those that we believe are ‘clearly trivial’ to Wormwood Scrubs Charitable Trust Committee. A summary of adjusted audit differences has been included in Appendix 2.

Audit issues

There are no issues or outstanding matters we wish to bring to the attention of the Directors.

Yours faithfully

Andrew Sayers, Partner, KPMG LLP

Appendix 1

Statement of Independence

The purpose of this Appendix is to communicate all significant facts and matters that bear on KPMG LLP's independence and objectivity and to inform you of the requirements of *ISA 260 (UK and Ireland) Communication of Audit Matters to Those Charged with Governance*.

Integrity, objectivity and independence

We are required to communicate to you in writing at least annually all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place that, in our professional judgement, may reasonably be thought to bear on KPMG LLP's independence and the objectivity of the Engagement Lead and the audit team.

We have considered the fees paid to us by the Company for professional services provided by us during the reporting period. Our audit fee in relation to the audit of Wormwood Scrubs Charitable Trust in 2017-18 was £11,800 (Inc. VAT) and we have provided no non audit services to the Company.

We are satisfied that our general procedures support our independence and objectivity.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP Partners and staff annually confirm their compliance with our Ethics and Independence Manual including in particular that they have no prohibited shareholdings. Our Ethics and Independence Manual is fully consistent with the requirements of the APB Ethical Standards. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews.

There are no other matters that, in our professional judgement, bear on our independence which need to be disclosed to the Wormwood Scrubs Charitable Trust Committee.

Audit matters

We are required to comply with *ISA (UK and Ireland) 260 Communication of Audit Matters to Those Charged with Governance* when carrying out the audit of the accounts.

ISA 260 requires that we consider the following audit matters and formally communicate them to those charged with governance:

- Relationships that may bear on the firm's independence and the integrity and objectivity of the audit engagement lead and audit staff.
- The general approach and overall scope of the audit, including any expected limitations thereon, or any additional requirements.
- The selection of or changes in, significant accounting policies and practices that have, or could have, a material effect on the Company's financial statements.
- The potential effect on the financial statements of any material risks and exposures, such as pending litigation, that are required to be disclosed in the financial statements.
- Audit adjustments, whether or not recorded by the entity that have, or could have, a material effect on the Company's financial statements.
- Material uncertainties related to event and conditions that may cast significant doubt on the Company's ability to continue as a going concern.
- Expected modifications to the auditor's report.
- Other matters warranting attention by those charged with governance, such as material weaknesses in internal control, questions regarding management integrity, and fraud involving management.
- Any other matters agreed upon in the terms of the audit engagement.

We continue to discharge these responsibilities through our attendance at audit committees, the annual audit letter and, in the case of uncorrected misstatements, through our request for management representations.

Disagreements with management about matters that, individually or in aggregate, could be significant to the Company's financial statements or the auditor's report. These communications include consideration of whether the matter has, or has not, been resolved and the significance of the matter.



Confirmation of audit independence

We confirm that as of 6 September 2018, in our professional judgement, in relation to the audit of the financial statements of the Company for the financial year ending 31 March 2018, we confirm that there were no relationships between KPMG LLP and the Company, its directors, senior management and its affiliates that we consider may reasonably be thought to bear on the objectivity and independence of the audit engagement lead and audit staff.

This report is intended solely for the information of the Wormwood Scrubs Charitable Trust Committee and should not be used for any other purposes.