



The Directors of

BNP Paribas Depositary Services Limited  
As Trustee of Threadneedle Carbon Neutral RE Trust  
IFC 1  
The Esplanade  
St Helier  
Jersey  
JE1 4BP

Threadneedle Investment (Channel Islands) Limited  
As Manager of Threadneedle Carbon Neutral RE Trust  
IFC 1  
The Esplanade  
St Helier  
Jersey  
JE1 4BP

28 June 2023

Dear Ladies and Gentlemen,

**Audit of financial statements for Threadneedle Carbon Neutral RE Trust for the year ended 31 March 2023**

We are writing to set out the findings from our audit for the above named entity in accordance with International Standards on Auditing (UK) (ISAs (UK)).

**Significant findings from the audit**

We are required under ISA (UK) 260 “Communication with those charged with governance” to communicate to those charged with governance significant findings from the audit, including:

- Our views about significant qualitative aspects of the entity’s accounting practices, including accounting policies, accounting estimates and financial statement disclosures; and
- Significant difficulties, if any, encountered during the audit.

We have nothing to report in respect of the above matters.

We also wish to draw your attention to the results of procedures performed over areas we identified as being significant audit risks:

- i. Fraud in revenue recognition — we have performed procedures in line with those communicated within our audit plan issued at the outset of the audit. Our procedures did not result any findings to bring to your attention.
- ii. Management override of controls — we have performed procedures in line with those communicated within our audit plan issued at the outset of the audit. Our procedures did not result any findings to bring to your attention.

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- iii. Valuation of investments in underlying Limited Partnership — we have performed procedures in line with those communicated within our audit plan issued at the outset of the audit. Our procedures did not result any findings to bring to your attention.

### **Significant deficiencies in internal control**

We are required under ISA (UK) 265 “Communicating deficiencies in internal control to those charged with governance and management” to communicate to those charged with governance significant deficiencies in internal control identified during the audit.

The audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Our work may therefore have not identified all significant deficiencies in your system of internal controls which a separate audit of internal control may reveal.

We have not identified any significant deficiencies in internal control during the audit.

### **Other matters**

We are also required under ISAs (UK) to communicate to those charged with governance if we have anything to report on the following:

- Uncorrected misstatements;
- Matters related to fraud;
- Matters related to laws and regulations or articles of association;
- Matters related to related parties;
- Subsequent events;
- Matters related to going concern;
- Any significant facts that bear upon our independence and objectivity;
- Any significant changes in the planned scope and timing of the audit which have been communicated previously;
- Matters which affect the form and content of the auditors’ report; and
- Any other matters that, in our professional judgment, are significant to the oversight of the financial reporting process.

We have nothing to report in respect of the above matters.



This letter has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as this letter has not been prepared for, and is not intended for, any other purpose.

We would like to thank you and your staff for their assistance and co-operation during the audit process.

Yours faithfully

*Pricewaterhouse Coopers LLP*

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