

## **TWP ACCOUNTING LLP: ACCOUNTING AND ASSURANCE – REVIEW ENGAGEMENT**

This schedule should be read in conjunction with the engagement letter, other services schedules and our standard terms and conditions. The schedule sets out the basis on which we/are to compile, and report to you on a limited assurance basis on, the statutory financial statements of the company and the respective areas of responsibility of the directors and of ourselves.

### **1 RESPONSIBILITIES OF DIRECTORS**

- 1.1 As directors of the above company, in addition to your general duties specified in sections 170 to 177 of the Companies Act 2006, you are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable you to ensure that the financial statements comply with the Companies Act 2006. You are also responsible for preparing financial statements which give a true and fair view, have been prepared in accordance with [United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)] and the Companies Act 2006 and regulations made under it.
- 1.2 In preparing the financial statements, you are required to:
- select suitable accounting policies and then apply them consistently;
  - make judgements and estimates that are reasonable and prudent; and
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- 1.3 You also have a responsibility not to approve these financial statements unless you are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit and loss of the company.
- 1.4 Your responsibility for preparation of the financial statements extends to the application of exemptions and options on transition to, and application of, new accounting standards. As directors of the company you should also consider the impact of new accounting standards on the business, including the impact on going concern.
- 1.5 You are 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- 1.6 You are also responsible for determining whether, in respect of the year, the company meets the conditions for exemption from an audit of the accounts set out in section 477 [or 479 or 480] of the Act, and for determining whether, in respect of the year, the exemption is not available for any of the reasons set out in sections 476, 478 and 479 [479B or 481].
- 1.7 You are responsible for ensuring that the company complies with the laws and regulations that apply to its activities and for preventing non-compliance and for detecting any that occurs.
- 1.8 You have undertaken to make available to us, as and when required, all the company's accounting records and related financial information, including minutes of management and shareholders' meetings necessary to undertake the engagement. You will make full disclosure to us of all relevant information.
- 1.9 Where financial information is to be published, which includes a report by us or is otherwise connected to us, on the company's website or by other electronic means, it is your responsibility to advise us of the intended electronic publication before it occurs and to ensure that any such publication properly presents the financial information and our report. We reserve the right to withhold consent to the electronic publication of our report if it, or the financial statements, are to be published in an inappropriate manner.

It is your responsibility to ensure there are controls in place to prevent or detect quickly any changes to that information. We are not required to review such controls nor to carry out ongoing reviews of the information after it is first published. The maintenance and integrity of the company's website is your responsibility and we accept no responsibility for changes made to such information after it is first posted.

## **2 RESPONSIBILITIES OF THE ACCOUNTANTS**

2.1 As the company is totally exempt from audit, we have no statutory responsibilities to the company at all. Our only responsibilities arise from those specifically agreed upon between us in respect of other professional services.

2.2 You have asked us to undertake a review of the unaudited financial statements of the company. Our review will be conducted with the objective of expressing a conclusion on the financial statements that, if unmodified, will be as follows:

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared:

- so as to give a true and fair view of the state of the company's affairs at the balance sheet date, and of its profit or loss for the period then ended;
- in accordance with United Kingdom Generally Accepted Accounting Practice; and
- in accordance with the requirements of the Companies Act 2006.

2.3 We will conduct our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised) *Engagements to Review Historical Financial Statements* and ICAEW Technical Release TECH 09/13AAF *Assurance review engagements on historical financial statements*.

2.4 ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. ISRE 2400 (Revised) also requires us to comply with relevant ethical requirements.

2.5 A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We will perform procedures, primarily consisting of making inquiries of management and others within the company, as appropriate, applying analytical procedures and evaluating the evidence obtained. We will also perform additional procedures if we become aware of matters that cause us to believe the financial statements as a whole may be materially misstated. These procedures are performed to enable us to express our conclusion on the financial statements in accordance with ISRE 2400 (Revised). The procedures undertaken will depend on what we consider necessary, applying our professional judgement, based on our understanding of the company and its environment, and our understanding of United Kingdom Generally Accepted Accounting Practice and its application in the industry context.

2.6 The information used by you in preparing the financial statements will invariably include facts or judgements which are not themselves recorded in the accounting records. As part of our normal review procedures, we will ask you to provide written confirmation each year of such facts or judgements and any other oral representations that we have received from you during the course of the review.

2.7 You have advised us that the company is exempt from an audit of the financial statements. We will not carry out any work to determine whether or not the company is entitled to audit exemption. However, should our work indicate that the company is not entitled to the exemption; we will inform you of this.

2.8 The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK). Therefore, even though the review is properly performed in accordance with ISRE 2400 (Revised) it does not enable us to obtain assurance that we would become

aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the financial statements.

- 2.9 As part of our review procedures, we will ask you to provide written confirmation each year of such facts or judgements and any other oral representations that we have received from you during the course of the review on matters having a material effect on the financial statements. In particular, where we bring misstatements in the accounts to your attention that are not adjusted, we shall require written representation as to whether you believe the effects of the uncorrected misstatements are immaterial, individually or in aggregate, to the financial statements as a whole.
- 2.10 Our report will be made solely to the company's directors, as a body, in accordance with the terms of this engagement letter. Our work will be undertaken so that we might state to the company's directors those matters we are required to state to them in accordance with ISRE 2400 (Revised) in a review report and for no other purpose. To the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the company and the company's directors as a body, for our assurance work, for the review report, or for the conclusions we form. Our review of the financial statements does not relieve you of your responsibilities.
- 2.11 We are required to have due diligence procedures to identify our clients for the purposes of UK anti-money laundering legislation and maintain appropriate records of evidence to support customer due diligence. We are likely to request from you, and retain, some information and documentation for these purposes and/or to make searches of appropriate databases. If we are not able to obtain satisfactory evidence of your identity within a reasonable time, there may be circumstances in which we are not able to proceed with the appointment.
- 2.12 The provision of accounting and assurance services is a business in the regulated sector under the Proceeds of Crime Act 2002 and, as such, partners and staff in accountancy 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 accounting and assurance 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.

### **3 ACCOUNTING SERVICES**

- 3.1 It is agreed that we should carry out the following services as your agents on the basis that you will make full disclosure to us of all relevant information. We shall:
- b) provide assistance to the company secretary by preparing and lodging returns with the Registrar of Companies; and
  - c) investigate irregularities and fraud upon receiving specific instructions.

### **4 DATA PROTECTION**

- 4.1 We are committed to ensuring the protection of the privacy and security of any personal data which we process. Your attention is drawn to paragraph 21 of our standard terms and conditions of business which details how we treat personal data received by us in the provision of our services during our engagement with you.

### **5 LIMITATION OF LIABILITY**

- 5.1 Our services as set out above are subject to the limitations on our liability set out in paragraph 13 of our standard terms and conditions of business. These are important provisions which you should read and consider carefully.