

TWP ACCOUNTING LLP: UNINCORPORATED BUSINESS ACCOUNTING SERVICES – COMPILATION OF UNAUDITED FINANCIAL INFORMATION

This schedule should be read in conjunction with the engagement letter and our standard terms and conditions. The schedule sets out the basis on which we act as accountants to your business and our respective responsibilities. It is agreed that we will carry out these services on the basis that you will make full disclosure to us of all the relevant information we may need.

1 YOUR RESPONSIBILITIES

- 1.1 You will be responsible for the reliability, accuracy and completeness of the accounting records.
- 1.2 You have undertaken to make available to us, as and when required, all of your accounting records and related financial information, including any minutes of management meetings, necessary to carry out our work. You will provide us with all information and explanations relevant to the purpose and compilation of the financial information, and you will disclose to us all relevant information in full.
- 1.3 You are responsible for ensuring that, to the best of your knowledge and belief, financial information, whether used by the business or for the financial statements, is accurate and complete. You are also responsible for ensuring that the activities of the business are conducted honestly, and for safeguarding the assets of the business and for taking reasonable steps to prevent and detect fraud and other irregularities.
- 1.4 You are responsible for ensuring that the business complies with the laws and regulations that apply to its activities, and for preventing non-compliance, and for detecting any that occurs.

2 OUR RESPONSIBILITIES

- 2.1 You have asked us to help you prepare your financial information required to enable profits to be calculated such as to meet the requirements of section 25 of the Income Tax (Trading and Other Income) Act 2005 and which provides sufficient and relevant information to enable the completion of a tax return. We will compile the financial information for your approval based on the accounting records maintained by you and the information and explanations given to us by you.
- 2.2 We shall plan our work on the basis that no report is required by statute or regulation, unless you inform us in writing to the contrary. In carrying out our engagement we will make enquiries of relevant management and other personnel and undertake any procedures that we judge appropriate but are under no obligation to perform procedures that may be required for assurance engagements such as audits or reviews.
- 2.3 Our work will not be an audit of the financial information in accordance with Auditing Standards. Consequently, our work will not provide any assurance that the accounting records or the financial information are free from material misstatement, whether caused by fraud, other irregularities or error and cannot be relied on to identify weaknesses in internal controls.
- 2.4 Since we have not carried out an audit, nor confirmed in any way the accuracy or reasonableness of the accounting records maintained by you, we are unable to provide any assurance as to whether the financial information that we prepare from those records presents a true and fair view. We will, however, advise you on whether your records are adequate for the preparation of the financial information and recommend improvements.
- 2.5 We have a professional duty to compile financial information that conforms with the generally accepted accounting principles selected by management as being appropriate for the purpose

for which the information is prepared. The accounting basis on which the information has been compiled, its purpose and limitations will be disclosed in an accounting policy note to the financial information and will be referred to in our accountants' report.

- 2.6 We also have a professional responsibility not to allow our name to be associated with financial information which we believe may be misleading. Therefore, although we are not required to search for such matters, should we become aware, for any reason, that the financial information may be misleading, we will discuss the matter with you with a view to agreeing appropriate adjustments and/or disclosures in the financial information. In circumstances where adjustments and/or disclosures that we consider appropriate are not made or where we are not provided with appropriate information, and as a result we consider that the financial information is misleading, we will withdraw from the engagement.
- 2.7 As part of our normal procedures, we may request you to provide written confirmation of any information or explanations given by you orally during the course of our work.
- 2.8 You will approve and sign the financial information thereby acknowledging responsibility for it, including the appropriateness of the financial reporting framework on which it has been compiled, and for providing us with all information and explanations necessary for its compilation.
- 2.9 As with other professional firms, we are required to implement due diligence procedures to identify our clients for the purposes of UK anti-money laundering legislation and maintain appropriate records of evidence to support our 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.
- 2.10 The provision of compilation services is a business in the regulated sector under the Proceeds of Crime Act 2002 and, as such, partners and staff in audit 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 compilation 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.
- 2.11 In certain instances we may consider it appropriate to outsource some of your accounting work. In such circumstances the outsourcing providers will be subject to a confidentiality agreement and any additional steps as we, in good faith, consider appropriate to maintain confidentiality.

3 FORM OF THE ACCOUNTANTS' REPORT

- 3.1 We shall report to you that in accordance with this engagement letter we have compiled, without carrying out an audit, the financial information from the accounting records of the entity and from the information and explanations supplied to us. The report should not be used for any purpose other than as set out in this engagement letter. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the addressee of the report, for our work or for our report.

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.