

TWP ACCOUNTING LLP: SOLICITORS' REGULATION AUTHORITY ACCOUNTS RULES

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 [are to] report on your compliance with the Solicitors Regulation Authority (SRA) Accounts Rules 2011 for the period up to 24 November 2019, the Solicitors Regulation Authority (SRA) Accounts Rules for the period from 25 November 2019 and section 34 of the Solicitors Act 1974.

It is agreed that we will carry out the following services on the basis that you will make full disclosure to us of all the relevant information we may need.

1 SOLICITORS' REGULATION AUTHORITY (SRA) ACCOUNTS RULES

- 1.1 As solicitors you are responsible for ensuring that for the period up to 24 November 2019 the firm maintains the accounting records required by the SRA Accounts Rules 2011 and for the period from 25 November 2019 the firm maintains the accounting records required by the SRA Accounts Rules. In addition, you are responsible for ensuring that all dealings in client money are dealt with in accordance with those rules.
- 1.2 In accordance with the section 34 of the Solicitors Act 1974 and section 5, schedule 2 of the Administration of Justice Act 1985 we understand that you have waived your right to confidentiality and that we should report directly to the SRA in certain circumstances. We understand that you will confirm these matters in your reply to this letter.

2 OUR RESPONSIBILITIES

- 2.1 The SRA Accounts Rules 2011 require us to report to you each year whether in our opinion you have complied with rules 1, 7, 13, 14, 17, 18, 20, 21, 27 and 29 and also rules 8, 9, 10, 15, 16 and 19 where applicable.

The SRA Accounts Rules effective from 25 November 2019 require us to report to you each year whether in our opinion you have complied with rules 2 to 6, 8 to 10 and 13.

- 2.2 We will qualify our report, where in our professional judgement, there is a significant breach and / or significant weaknesses in the firm's systems and controls which put client money at risk. We will provide details of the significant breach and/or significant weaknesses in firm's systems and controls which put client money at risk to the SRA in their prescribed form. This will include sufficient detail to allow the SRA to understand our judgement.
- 2.3 To provide our report we shall undertake whatever tests and examinations of your records we consider appropriate. Our work will take into account the SRA's Guidance to Reporting Accountants and firms on planning and completion of the annual Accountant's Reports, under Rule 32A of the SRA Accounts Rules 2011 for the period up to 24 November 2019 and the SRA's Guidance: Planning for and completing an accountant's report for the period from 25 November 2019.

We do not undertake specific work to identify limitations in your systems or any irregularities on the part of your employees, beyond the work required to give the confirmations mandated on the AR1. However, we may advise you of limitations which we may discover during the course of our work.

- 2.4 Our report will be in the standard form prescribed by the SRA. If the report is qualified it is your responsibility to submit it to the SRA within six months of your

accounting period end. However, if instructed by you, we will submit the report on your behalf.

- 2.5 As required by the rules we will complete the reporting accountants checklist produced by the SRA, provide you with the original, retain a copy ourselves for three years and produce a copy to the SRA upon request.
- 2.6 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.
- 2.7 The provision of SRA Accountant's Report 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 SRA Accountant's Report 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 DATA PROTECTION

- 3.1 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.

4 LIMITATION OF LIABILITY

- 4.1 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