

TWP ACCOUNTING LLP: AUDIT SERVICES

This schedule should be read in conjunction with the engagement letter, other schedules of services and our standard terms and conditions. The schedule sets out the basis on which we act as auditor of the company (and its subsidiary undertakings) and the respective areas of responsibility of the trustees and of ourselves.

1 RESPONSIBILITIES OF TRUSTEES AND AUDITORS

- 1.1 As trustees of the charity, you are responsible for maintaining adequate accounting records and an appropriate system of internal control for the charity. You are also responsible for preparing the annual report and financial statements which give a true and fair view and have been prepared in accordance with applicable accounting standards and the Charities Act 2011 ("the Act") and regulations thereunder.
- 1.2 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 trustees of the charity you should also consider the impact of new accounting standards on the charity, including the impact on going concern.
- 1.3 As trustees of a charity, you are under a duty to prepare an annual report for each financial year complying in its form and content with regulations made under the Charities Act 2011. You should also have regard to the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' 2015 (FRS 102), issued by the joint SORP-making body, and any subsequent amendments or variations to this statement.
- 1.4 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 also responsible for safeguarding the assets of the charity, complying with laws and regulations and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- 1.5 You are responsible for making available to us, as and when required, all your accounting records and related financial information, including any minutes of all trustees' and 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. You will also provide us with unrestricted access to persons within the charity from whom we determine it is necessary to obtain audit evidence.
- 1.6 Under the Charities Act 2011 we have a statutory responsibility to report to you as trustees whether in our opinion the financial statements: In arriving at that opinion, we are required to consider the following matters and report on any in respect of which we are not satisfied:
 - give a true and fair view of the state of the charity's affairs as at the year end, and of its incoming resources and application of resources, for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
 - have been prepared in accordance with the requirements of the Charities Act 2011.

In addition, we have a statutory responsibility to report by exception if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

If we have nothing to report in respect of the above matters we will include a statement in our report confirming this.

- 1.7 We have a professional responsibility to report if the financial statements do not comply in any material respect with applicable accounting standards, unless in our opinion the non-compliance is justified in the circumstances. In determining whether or not the departure is justified we consider whether:
- the departure is required in order for the financial statements to give a true and fair view; and
 - adequate disclosure has been made concerning the departure.
- 1.8 As noted above, our report will be made solely to the charity's trustees, as a body, in accordance with regulations made under Section 154 of the Charities Act 2011. Our audit work will be undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. In those circumstances, to the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for the audit report, or for the opinions we form. The audit of the financial statements does not relieve you of your responsibilities.
- 1.9 Under the Charities (Accounts and Reports) Regulations 2008 you are required to report as to whether you have given consideration to the major risks to which the charity is exposed and to the systems designed to manage those risks. We are not required to form an opinion on the effectiveness of the risk management and control procedures.
- 1.10 We have a statutory duty to report to the Charity Commission (CC) under section 156 of the Charities Act 2011 such matters (concerning the activities or affairs of the charity or any connected institution or body corporate) of which we become aware during the course of our audit which are (or are likely to be) of material significance to the CC in the exercise of their powers of inquiry into, or acting for the protection of, charities.
- 1.11 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.
- 1.12 The provision of audit 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 audit 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 SCOPE OF AUDIT

- 2.1 Our audit will be conducted in accordance with the International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Those standards require that we plan and perform our audit in order to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

2.2 As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Read all financial and non-financial information (other information) included in the annual report other than the financial statements and identify whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears materially misstated. You are responsible for the preparation of the other information and where, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report this fact.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

2.3 Our work will be planned in advance and incorporated into an audit plan. This may be varied on the basis of our findings during the course of an audit from year to year. Accordingly, we may modify our audit scope, rotate our audit emphasis and propose matters of special audit emphasis, as circumstances dictate.

2.4 We shall obtain an understanding of the accounting and internal control systems in order to assess their adequacy as a basis for the preparation of the financial statements and to establish whether adequate accounting records have been maintained by the charity. We shall expect to obtain such appropriate evidence as we consider sufficient to enable us to draw reasonable conclusions therefrom.

2.5 The nature and extent of our procedures will vary according to our assessment of the charity's accounting system and, where we wish to place reliance on it, the internal control system, and may cover any aspect of the charity's operations that we consider appropriate. Our audit is not designed to identify all significant weaknesses in the charity's systems but, if such weaknesses come to our notice during the course of our audit which we think should be brought to your attention, we shall report them to you. Any such report may not be provided to third parties without our prior written consent. Such consent will be granted only on the

basis that such reports are not prepared with the interests of anyone other than the charity in mind and that we accept no duty or responsibility to any other party as concerns the reports.

- 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 audit procedures, we will ask you to provide written confirmation each year of such facts or judgments and any other oral representations that we have received from you during the course of the audit on matters having a material effect on the financial statements. In particular, where we bring misstatements in the financial statements 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 and in aggregate, to the financial statements as a whole.
- 2.7 In order to assist us with the examination of your financial statements, we shall request sight of all documents or statements, including the trustees' report, which are due to be issued with the financial statements.
- 2.8 The responsibility of safeguarding the assets of the charity and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with yourselves. However, we shall endeavour to plan our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records (including those resulting from fraud, error or non-compliance with law or regulations), but our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance as may exist.
- 2.9 We shall not be treated as having notice, for the purposes of our audit responsibilities, of information provided to members of our firm other than those engaged on the audit (for example information provided in connection with accounting, taxation and other services).
- 2.10 In respect of the expected form and content of our report, we refer you to the most recent bulletin on auditors' reports published by the Financial Reporting Council at www.frc.org.uk. The form and content of our report may need to be amended in the light of our findings.
- 2.11 Once we have issued our report we have no further direct responsibility in relation to the financial statements for that financial year. However, we expect that you will inform us of any material event occurring between the date of our report and that of the Annual General Meeting which may affect the financial statements.
- 2.12 Where audited information is published on the charity's website or by other electronic means, it is your responsibility to advise us of any intended electronic publication before it occurs and to ensure that any such publication properly presents the financial information and auditor's 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 or 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 audited information after it is first posted.
- 2.13 We appreciate that the present size of your charity renders it uneconomic to create a system of internal control based on the segregation of duties for different functions within each area of the business. In the running of your charity we understand that the trustees are closely involved with the control of the charity's transactions. In planning and performing our audit work we shall take account of this supervision.

3 COMMUNICATION

- 3.1 In order to promote effective two-way communication between us we set out below the expected form and timing of such communications

- We shall contact you prior to the audit to discuss any relevant matters, the planned scope and timing of the audit and to agree any required action; and
- contact you after the audit to discuss any matters arising from the audit and to confirm any agreed action.

We shall of course contact you more frequently and regularly about audit and other matters during the course of the audit.

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

- 54.1 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.