

TWP ACCOUNTING LLP: INDEPENDENT EXAMINATION SERVICES – CHARITABLE COMPANY

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 examiner of the charity and the respective areas of responsibility of the trustees and of ourselves.

1 RESPONSIBILITIES OF TRUSTEES AND INDEPENDENT EXAMINERS

- 1.1 As trustees of the charitable company, you are responsible for maintaining adequate accounting records and an appropriate system of internal control for the charitable company. You are also responsible for preparing the annual report and accounts which give a true and fair view and have been prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Companies Act 2006 and regulations thereunder.
- 1.2 Your responsibility for preparation of the accounts extends to the application of exemptions and options on transition to, and application of, new accounting standards. As trustees of the charitable company you should also consider the impact of new accounting standards on the charitable company, including the impact on going concern.
- 1.3 As trustees of a charitable company, you have a duty under the Companies Act 2006 to prepare a directors' report and also 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 Under the Charities Act 2011 we have a statutory responsibility to state whether or not any matters have come to our attention to which in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached, and to report whether or not any matter has come to our attention in connection with the examination which gives us reasonable cause to believe that in any material respect:
 - accounting records have not been kept by the charity in accordance with Section 386 Companies Act 2006;
 - the accounts are not in agreement with the accounting records; and
 - the accounts do not comply with the accounting requirements of Section 396 Companies Act 2006 and with the methods and principles of the SORP.
- 1.5 We are also required to report any of the following matters that have become apparent during the course of our examination:
 - whether there has been any material expenditure or action which appears not to be in accordance with the trusts of the charity;
 - whether any information or explanation to which we are entitled under regulation 33 of the Charities (Accounts and Reports) Regulations 2008 has not been afforded to us; and
 - whether any information in the trustees' statutory annual report is inconsistent in any material respect with that in the financial statements.
- 1.6 We shall plan our work on the basis that an examination report is required for the year, unless you inform us in writing that either:
 - the charitable company requires an audit of the accounts; or
 - the charitable company requires neither an audit nor an examination report.

- 1.7 Should you instruct us to carry out an audit, then a separate letter of engagement will be required.
- 1.8 Should you inform us that the charity requires neither an audit nor an examination, then we shall have no responsibilities to the charitable company, except those specifically agreed upon between us in respect of other professional services.
- 1.9 Should our work lead us to conclude that the charitable company is not entitled to exemption from an audit of the accounts, or should we be unable to reach a conclusion on this matter, then we will not issue any report and will notify you in writing of the reasons. In these circumstances, if appropriate, we will discuss with you the need to appoint an auditor.
- 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 charitable company or any connected institution or body corporate) of which we become aware during the course of our examination 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 independent examination 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 independent examination 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 EXAMINATION

- 2.1 Our examination will be conducted in accordance with the CC's 'Independent examination of charity accounts: Directions and Guidance for examiners' (CC32). Our procedures will consist of comparing the accounts with the accounting records, vouching some material/significant transactions, making limited enquiries of the officers of the charitable company and only in certain circumstances seeking independent evidence to support entries in the accounting records, or the presentation of the accounts. We shall also review the trustees' report and discuss with you the financial circumstances of the charitable company at the end of the year.
- 2.2 Our examination is not designed to identify all significant weaknesses in the charitable company's systems but, if such weaknesses come to our notice during the course of our examination 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 charitable company in mind and that we accept no duty or responsibility to any other party as concerns the reports.
- 2.3 As part of our normal procedures, we may request you to provide written confirmation of oral representations which we have received from you during the course of the examination on matters having a material effect on the account and statement.

- 2.4 In order to assist us with the examination of your accounts, we shall request sight of all documents or statements, including the trustees' report, which are due to be issued with the accounts. If it is proposed that any documents or statements which refer to our name, other than the examined accounts, are to be circulated to third parties, please consult us before they are issued.
- 2.5 The responsibility for safeguarding the assets of the charitable company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with yourselves. Our examination should not be relied upon to disclose all material misstatements or frauds, errors or instances of non-compliance as may exist.
- 2.6 We shall not be treated as having notice, for the purposes of our examination responsibilities, of information provided to members of our firm other than those engaged on the examination.
- 2.7 Once we have issued our report we have no further direct responsibility in relation to the accounts for that financial year.

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 the engagement covering letter and in paragraph 13 of our standard terms and conditions of business. These are important provisions which you should read and consider carefully.