

TWP ACCOUNTING LLP: PREPARATION OF CASH FLOW FORECASTS

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 prepare cash flow forecasts and our respective responsibilities.

1 YOUR RESPONSIBILITIES

- 1.1 You will be responsible for the reliability, accuracy and completeness of the accounting records and for ensuring that they disclose with reasonable accuracy at any time the financial position of the business and for ensuring that the financial information complies with United Kingdom Generally Accepted Accounting Practice.
- 1.2 You have agreed to make available to us, as and when required, all the company's/business's accounting records and related financial information, including minutes of management, shareholders', directors' and members' meetings, necessary to carry out our work. You will make full disclosure to us of all relevant information.
- 1.3 You are responsible for safeguarding the assets of the company/business and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- 1.4 You are responsible for ensuring that the company/business complies with the laws and regulations that apply to its' activities, and for preventing non-compliance and for detecting any that occurs.
- 1.5 Where financial information is to be published, which includes a report by us or is otherwise connected to us, on the company's/business'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/business's website is your responsibility and we accept no responsibility for changes made to such information after it is first posted.

2 PREPARATION OF CASH FLOW FORECASTS

- 2.1 You have instructed us to prepare a cash flow forecast (hereafter referred to as 'the projections') for your company/business for the period from to (*insert date*) for the purpose of raising finance from your bankers (*insert name*) plc. The projections will be for the exclusive use of you [*and the bank*] (*delete/tailor as appropriate*) and should not be shown to any other party without our prior written consent.
- 2.2 The projections will be drawn up from information and explanations provided by you, either directly or by way of discussions with you. The work carried out on your behalf will be limited to compiling the projections from the information so provided and presenting it in the appropriate manner to support your application for finance. We will work with you to draw up the appropriate estimates and assumptions necessary, but these will be based on the information provided by you. You will remain solely responsible for such estimates and assumptions and hence for the resulting cash flow forecast.

As agreed, the cash-flow forecast will include the following (*insert specific requirements of give outline of the contents of the forecast*)
- 2.3 You understand that our work will not constitute an audit of the figures and information in the projections and we will not express any opinion thereon. Our report will not extend to any financial statements of the business/partnership/company taken as a whole.
- 2.4 To ensure that anyone reading the projections is aware of the scope of our work and the fact that we have not carried out an audit, we will annex to the projections a short report

(give text of your standard report). If you wish, or are asked, to provide a copy of the projections to a third party you must seek our consent before you do this. You are not entitled to disclose our work to a third party without our express permission. We may grant consent subject to certain conditions, however in every situation where we grant consent then this report must remain attached to any copy shown to the third party.

- 2.5 Our Report is prepared solely for the confidential use of *(insert name of client)* and solely for the purpose of *(describe the purpose)*. It may not be relied upon by *(insert name of client)* for any other purpose whatsoever. Our Report must not be recited or referred to in whole or in part in any other document. Our Report must not be made available, copied or recited to any other party without our express written permission. TWP Accounting LLP neither owes nor accepts any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on our Report.
- 2.6 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.
- 2.7 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.
- 2.8 The provision of these 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 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.

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 and the specific provisions as agreed. These are important provisions which you should read and consider carefully.
- 4.2 Having considered both your circumstances and our own, we have reached a mutual agreement that £.... represents a fair maximum limit to our liability as a firm in the event of any one claim arising in respect of the professional services. This maximum total liability includes any claims for loss or damage, however caused, whether in respect of breaches of contract, tort (including negligence) or otherwise in respect of the professional services and shall also include all other related costs including legal fees, interest, etc.
- 4.3 We acknowledge that the limit in respect of our total aggregate liability will not apply to any acts, omissions or representations that are in any way criminal, dishonest or fraudulent on the part of the firm, its partners, members or employees.