

# **Schedule of Professional Services: Accounts for Unaudited Financial Statements (Annual Accounts) - Unincorporated**

The purpose of this schedule to our engagement letter is to set out the basis on which we compile or are to compile the unaudited financial statements for your business.

## **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 for the compilation of the financial statements and you will make full disclosure to us of all relevant information.

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 will approve and sign the financial statements to acknowledge responsibility for them, 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 their compilation.

1.5.

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 financial statements which comply with applicable accounting standards to enable profits to be calculated in accordance with generally accepted accounting practice as required by 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 statements 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 on the financial statements is required by statute or regulation for the year, unless you inform us in writing to the contrary. In carrying out our engagement we will make enquiries of management 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 statements in accordance with the International Standards on Auditing (UK). Consequently, our work will not provide any assurance that the accounting records or the financial statements are free from material misstatement, whether caused by fraud, other irregularities or error and cannot be relied on to identify weaknesses in internal controls. However, we are registered to carry out Audit work in the UK by the Institute of Chartered Accountants in England and Wales for which separate terms and charges apply.

## 2.4.

Since we will not carry out an audit through this engagement, nor confirm 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 statements that we prepare from those records present a true and fair view. We will, however, advise you on whether your records are adequate for the preparation of financial statements and recommend improvements.

## 2.5.

We have a professional duty to compile financial statements that conform with generally accepted accounting principles selected by management as being appropriate for the purpose for which the information is prepared. The financial reporting framework on which the information has been compiled, its purpose and limitations will be disclosed in an accounting policy note to the financial statements 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 statements 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 statements may be misleading, we will discuss the matter with you with a view to agreeing appropriate adjustments and/or disclosures in the financial statements. 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 statements remain 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.

### **3 Form of the accountants' report**

3.1.

We shall report to you, with any modifications that we consider may be necessary, that in accordance with this engagement letter and in order to assist you to fulfil your responsibilities, we have compiled, without carrying out an audit, the financial statements from the accounting records of the entity and from the information and explanations supplied to us. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the addressee of the report, for the work or for this report.

### **4 Limitation of liability**

We have discussed with you the extent of our liability to you in respect of the professional services described within this engagement letter (the professional services). Having considered both your circumstances and our own, we have reached a mutual agreement that £2.75 million represents a fair maximum limit to our liability.

In reaching this agreement it is also agreed that:

- In the event of any claim for loss or damage arising from the professional services, you have agreed that the sum of £2.75 million represents the maximum total liability to you in respect of the firm, its principles, and staff. This maximum total liability applies to any and all claims made on any basis and therefore includes any claims in respect of breaches of contract, tort (including negligence) or otherwise in respect of the professional services and shall also include interest; and
- We confirm 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 principles, or employees.

Revised 1 July 2022