

301 ACCOUNTS PREPARATION FOR PARTNERSHIP

SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms and conditions of business.

PREPARATION OF ACCOUNTS IN COMPLIANCE WITH GENERAL ACCEPTED ACCOUNTING PRACTICE

1.0 RESPONSIBILITIES AND SCOPE FOR ACCOUNTS PREPARATION SERVICES

1.1 Your responsibility for the preparation of partnership accounts

- 1.1.1 You have undertaken to make available to us, as and when required, all the accounting records and related financial information which we need to do our work. You will provide us with all information and explanations relevant to the purpose and compilation of the accounts, and you will disclose to us all relevant information in full.
- 1.1.2 You are responsible for ensuring that, to the best of your knowledge and belief, financial information, whether used by the business or for the accounts, 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.
- 1.1.3 You will approve the accounts to acknowledge responsibility for it, including the appropriateness of the accounting basis and for providing us with all information and explanations necessary for their compilation.
- 1.1.4 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 fraud that occurs.
- 1.1.5 If you are in business and not registered for VAT, you are responsible for monitoring your monthly turnover to establish whether you are liable to register for VAT and also for considering whether the business should be included with any other business that you are involved with under the 'artificial separation' rules. If you do not understand what you need to do, please ask us. If you exceed the VAT registration threshold, and wish us to assist you in notifying HMRC of your liability to be VAT registered, you must give us clear instructions to assist you in the VAT registration process. You should notify us of your instructions in good time to enable the VAT registration application form to be submitted within the statutory time limit of one month following the month in which you exceeded the VAT registration threshold in force at that time. We will not be responsible if you fail to notify us in time and incur a late registration penalty as a result.

1.2 Our responsibilities as accountants

- 1.2.1 You have asked us to help you prepare the accounts which comply with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice (UKGAAP)) to enable profits to be calculated to meet the requirements of current tax legislation and that provide sufficient and relevant information to complete a tax return. We will compile the accounts for your approval based on the accounting records that you maintain and the information and explanations that you give us.

- 1.2.2 We shall plan our work on the basis that no report on the accounts is required by statute or regulation for the year, unless you inform us in writing to the contrary. 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.
- 1.2.3 Our work will not be an audit of the accounts in accordance with International Standards of Auditing (UK). So we will not be able to provide any assurance that the accounting records or the accounts are free from material misstatement, whether caused by fraud, other irregularities or error nor to identify weaknesses in internal controls.
- 1.2.4 Since we will not carry out an audit, nor confirm in any way the accuracy or reasonableness of the accounting records, we cannot provide any assurance whether the accounts that we prepare from those records will present a true and fair view.
- 1.2.5 We will advise you on whether your records are adequate for preparation of the accounts and recommend improvements.
- 1.2.6 We have a professional duty to compile accounts that conform with generally accepted accounting principles from the accounting records and information and explanations given to us. The accounting policies on which the accounts have been compiled will be disclosed in an accounting policy. We will not compile accounts where the accounting principles, or the accounting policies selected by management are inappropriate.
- 1.2.7 We also have a professional responsibility not to allow our name to be associated with accounts 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 accounts may be misleading, we will discuss the matter with you with a view to agreeing appropriate adjustments and/or disclosures in the accounts. 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 accounts are misleading, we will withdraw from the engagement.
- 1.2.8 As part of our normal procedures we may ask you to confirm in writing any information or explanations given to us orally during our work.

1.3 Form of the accountants' report

- 1.3.1 We will report to you, as appropriate, that in accordance with this engagement letter, we have not carried out an audit but have compiled the accounts from the accounting records 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 you for our work or for this report.