

LAMBERT CHAPMAN LLP

TERMS OF BUSINESS – Management Accounts **Last revised 6 May 2015**

We are bound by the ethical guidelines of The Institute of Chartered Accountants in England and Wales and accept instructions to act for you on the basis that we will act in accordance with those ethical guidelines.

1. We understand that you require us to prepare the management accounts of your business. The period covered by the management accounts will be determined with you in advance of their preparation.
2. This involves us in completing the posting of transactions to your computerised records, insofar as they are incomplete when presented to us, from the information and explanations supplied to us and preparing draft accounts for your approval.
3. We understand that you have agreed that you will be responsible for:
 - a. maintaining records of all receipts and payments of cash and bank transactions;
 - b. post and balance the purchase and sales ledgers;
4. You will also provide estimates of any stocks at the end of each period.
5. You understand that we will not be carrying out an audit and accordingly will not verify the assets and liabilities of the business, nor the items of expenditure and income.
6. We would emphasise that we cannot undertake to discover any shortcomings in your systems or any irregularities on the part of your employees or others, although we will advise you of any such circumstances that we encounter in preparing your accounts.
7. The accounts are not suitable for submission with the self-assessment tax return, or for summary thereon.
8. Our involvement in the management accounts production process is constrained by the need to process and produce the accounts on your computer system, so preventing the operation of certain of our quality control procedures. The accounts are prepared for your exclusive use within your business and you undertake not to represent to any third party that the accounts have been prepared by us.
9. The management accounts are prepared solely for the confidential use of the business. The management accounts must not be recited or referred to in whole or in part in any other document. The management accounts must not be made available, copied or recited to any other party without our express written permission. Lambert Chapman 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 the management accounts.