

LAMBERT CHAPMAN LLP

TERMS OF ENGAGEMENT: Preparation of Annual Accounts for all Audit Exempt Entities

Last revised 9 December 2021

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to the production of the entity's financial statements on an accruals basis in accordance with applicable accounting standards, and to clarify our respective responsibilities in respect of that work. The entity's financial statements will be prepared in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

SECTION 1 APPLYING TO LIMITED COMPANIES ONLY

Your responsibilities as directors

- 1.1 Our work will be conducted on the basis that you acknowledge and understand that you have responsibility:
 - (a) to prepare financial statements which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. As directors you must not approve the financial statements unless you are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit or loss of the company;
 - (b) in preparing the financial statements, to:
 - (i) select suitable accounting policies and then apply them consistently;
 - (ii) make judgments and accounting estimates that are reasonable and prudent; and
 - (iii) prepare the financial statements on the going concern basis, considering in particular the company's ability to continue in business for at least twelve months from the date when the financial statements are expected to be approved, unless it is inappropriate to presume that the company will continue in business.
 - (c) for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and for ensuring that the financial statements comply with the *Companies Act 2006* (CA 2006) and applicable accounting standards as agreed with you. You are also responsible for such internal control as you determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.
 - (d) For safeguarding the assets of the company and hence for taking reasonable steps to ensure the company's activities are conducted honestly for the prevention and detection of fraud and other irregularities.
- 1.2 In addition to the general duties of directors specified in CA 2006, s. 170-177, you are responsible for ensuring that the company complies with laws and regulations applicable to its activities, and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any that occur.
- 1.3 You have agreed that your staff will maintain all accounting records, except as detailed in paragraph 2.4 below
- 1.4 You are responsible for determining whether, in respect of the year, the company meets the conditions for exemption from an audit set out in CA 2006, s. 477, namely that it qualifies as a small company in relation to that year for the purposes of s. 381.
- 1.5 You are responsible for determining whether, in respect of the year, the exemption is not available for any of the reasons set out in CA 2006, s. 478-479; namely that at no time during the year was the company:
 - a public company;
 - an authorised insurance company, a banking company, an e-money issuer, a MiFID investment firm or a UCITS management company;
 - carrying on an insurance market activity;
 - a special register body as defined in the *Trade Union and Labour Relations (Consolidation) Act 1992*, s. 117(1), or an employers' association as defined in s. 122 of that Act;
 - a member of a group that failed to qualify as a small group; or
 - a member of an ineligible group.

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- 1.6 The exemption is available only if you, as directors, sign a declaration as required by CA 2006, s. 475(3), on the balance sheet to state that:
- (a) for the year in question, the company is eligible to take advantage of the audit exemptions;
 - (b) the members have not required the company to obtain an audit of its financial statements for the year in accordance with CA 2006, s. 476; and
 - (c) you acknowledge your obligations for complying with the requirements of CA 2006 with respect to accounting records and preparation of financial statements.
- 1.7 You have agreed to make available to us, as and when required, all the company's accounting records and related financial information, including minutes of management, directors' and members' meetings, necessary to carry out our work. You have agreed to make full disclosure to us of all relevant information.
- 1.8 If you have opted to have abridged financial statements prepared in accordance with the *Small Companies and Groups (Accounts and Directors' Report) Regulations 2008* and FRS 102 Section 1A, you are responsible for obtaining the necessary approval from all shareholders, as required by CA06, s. 444(2A). Without this approval abridged financial statements cannot be prepared.
- 1.9 You will approve and sign the financial statements thereby acknowledging responsibility for them.
- 1.10 If financial information is published, which includes a report by us or is otherwise connected to us, on the company's website or by other electronic means, you must inform us of the electronic publication and get our consent before it occurs and ensure that it presents the financial information and chartered accountants report properly. We have the right to withhold consent to the electronic publication of our report or the financial statements if they are to be published in an inappropriate manner.
- 1.11 You must set up controls to prevent or detect quickly any changes to electronically published information. We are not responsible for reviewing these controls nor for keeping the information under review after it is first published. You are responsible for the maintenance and integrity of electronically published information, and we accept no responsibility for changes made to any information after it is first posted.
- 1.12 Financial statements need to be completed prior to submission of the tax return. Failure to submit the return on time will result in penalties and is likely to result in interest and surcharges. In order to avoid this, we must have your accounting records by within 6 months of the year end and queries raised on those accounting records must be answered promptly, otherwise we cannot guarantee the completion of the financial statements to ensure the tax return's timely submission.
- 1.13 Clause 1.13 applies to Community Interest Companies only - In addition to your responsibilities under the Companies Act 2006, you are also responsible for compliance with the Companies (Audit, Investigations and Community Enterprise) Act 2004 and regulations made under it as applicable to Community Interest Companies. These responsibilities include ensuring that the company is run in such a way that it will continue to satisfy the community interest test and for compliance with the provisions in respect of:
- asset lock;
 - caps on interest and dividends; and
 - the preparation and delivery to Companies House of the annual Community Interest Company Report.

2 Our responsibilities as accountants

- 2.1 The financial statements are required to enable profits to be calculated to meet the requirements of the relevant tax legislation and that provide sufficient and relevant information to complete a tax return.

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- 2.2 You have told us that the company is exempt from an audit of the financial statements and have asked us to assist you in the preparation of financial statements in accordance with the requirements of the CA 2006, and to issue an accountant's report on those financial statements. We will compile the annual financial statements for your approval based on the accounting records maintained by you and the information and explanations that you give us.
- 2.3 As a small entity, the company qualifies under CA06, s. 444(1), to file only the balance sheet and associated notes at Companies House. It is assumed that the company wishes to file the minimum of information at Companies House, and therefore the financial statements for filing purposes will be prepared on that basis unless you inform us otherwise.
- 2.4 As agreed with you, we shall carry out the following bookkeeping services:
 - (a) write up the accounting records insofar as they are incomplete when presented to us; and
 - (b) complete the postings to the nominal ledger.
- 2.5 We will write to you on or around your year-end date to request the information and records we will need to prepare the financial statements.
- 2.6 We do not have any responsibility to report whether any shareholder of the company has notified the company that he or she requires an audit. Consequently we have no responsibility to carry out any work in respect of this matter.
- 2.7 We will not check whether the company is exempt from audit. However, should our work indicate that the company is not entitled to exemption from an audit of the financial statements then we will inform you. In these circumstances, if appropriate, we will discuss with you the need to appoint us as auditors.
- 2.8 We have a professional duty to prepare financial statements that conform with generally accepted accounting principles. Furthermore, as directors, you have a duty to prepare financial statements that comply with CA 2006 and applicable accounting standards as agreed with you. Where we identify that the financial statements do not conform to accepted accounting principles or if the accounting policies adopted are not immediately apparent, this will be made clear in our report, if it is not clear in the financial statements.
- 2.9 We will not specifically check the adequacy of your records; however, where any issues arise during the course of our work, we will advise you on whether your records are adequate for preparation of the financial statements and recommend improvements.
- 2.10 We shall plan our work on the basis that no report 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.
- 2.11 Our work will not be an audit of the financial statements in accordance with International Standards on Auditing (UK). Accordingly, we will not obtain any evidence relating to entries in the accounting records, or to the financial statements or to the disclosures in the financial statements. Nor will we make any assessment of the estimates and judgments made by you in the preparation of the financial statements. 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, or other irregularities or error. In addition, we have no responsibility to determine whether you have maintained adequate accounting records in accordance with CA 2006, s. 386, and we will not address this point unless you specifically request us in writing to do so.
- 2.12 Since we have not carried out an audit, nor confirmed in any way the accuracy or reasonableness of the accounting records maintained by the company, we are unable to provide any assurance as to whether the financial statements that we prepare from those records and on which we are reporting present a true and fair view.

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- 2.13 We have a professional responsibility not to allow our name to be associated with financial statements 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 are misleading, we will withdraw from the engagement. In these circumstances you agree that we have a right to invoice you for our time spent preparing and discussing the financial statements with you and for time spent on any other work that is not completed as a result of our resignation.
- 2.14 As part of our normal procedures we may request you to provide written confirmation of any information or explanations given to us orally during the course of our work.
- 2.15 We will report to the Board of Directors, as appropriate, that in accordance with this engagement schedule and to assist you to fulfil your responsibilities, we have not carried out an audit but have compiled the financial statements from the accounting records and from the information and explanations supplied to us.
- 2.16 To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body for our work or this report. If you wish, or are asked, to provide a copy of the financial statements 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 the accountant's report must remain attached to the financial statements shown to the third party.

SECTION 2 APPLYING TO LLP'S ONLY

1 Your responsibilities as designated members

- 1.1 Our work will be conducted on the basis that you acknowledge and understand that you have responsibility:
- (a) to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. As designated members you must not approve the financial statements unless you are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit or loss of the LLP;
 - (b) in preparing those financial statements, to:
 - (i) select suitable accounting policies and then apply them consistently;
 - (ii) make judgments and accounting estimates that are reasonable and prudent; and
 - (iii) prepare the financial statements on the going concern basis, considering in particular the LLP's ability to continue in business for at least twelve months from the date when the financial statements are expected to be approved, unless it is inappropriate to presume that the LLP will continue in business.
 - (c) for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the LLP and to enable you to ensure that the financial statements comply with the *Companies Act 2006 (CA 2006)* as applied by *The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (SI 2008/1911)*, the *Statement of Recommended Practice: Accounting by Limited Liability Partnerships* and applicable accounting standards as agreed with you. You are also responsible for such internal control as you determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error; and
 - (d) you are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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- 1.2 You are responsible for ensuring that the LLP complies with laws and regulations applicable to its activities, and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any that occur.
- 1.3 You have agreed that your staff will maintain all accounting records, except as detailed in paragraph 2.4 below.
- 1.4 You are responsible for determining whether, in respect of the year, the LLP meets the conditions for exemption from an audit set out in CA 2006, s. 477 or, for a dormant LLP CA 2006, s. 480, namely that it qualifies as a small LLP in relation to that year for the purposes of CA 2006, s. 381.
- 1.5 You are responsible for determining whether, in respect of the year, the exemption is not available for any of the reasons set out in CA 2006, s. 478-479; namely that at no time during the year was the LLP:
- an authorised insurance company, a banking company, an e-money issuer, a MiFID investment firm or a UCITS management company;
 - carrying on an insurance market activity;
 - a special register body as defined in the *Trade Union and Labour Relations (Consolidation) Act 1992*, s. 117(1), or an employers' association as defined in s. 122 of that Act;
 - a member of a group that failed to qualify as a small group; or
 - member of an ineligible group.
- 1.6 The exemption is available only if you, as members, sign a declaration on the balance sheet as required by CA 2006, s. 475(3) stating that:
- (a) for the period in question, the LLP is eligible to take advantage of the audit exemptions;
 - (b) you acknowledge your obligations for complying with the requirements of CA 2006 with respect to accounting records and preparation of financial statements.
- 1.7 You have undertaken to make available to us, as and when required, all the LLP's accounting records and related financial information, including minutes of management and members' meetings, necessary to carry out our work. You have agreed to make full disclosure to us of all relevant information.
- 1.8 If you have opted to have abridged financial statements prepared in accordance with the *Small Limited Liability Partnerships (Accounts) Regulations 2008* and FRS 102 Section 1A, you are responsible for obtaining the necessary approval from all members, as required by CA06, s. 444(2A) as applied by *The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008*. Without this approval abridged financial statements cannot be prepared.
- 1.9 You will approve and sign the financial statements thereby acknowledging responsibility for them.
- 1.10 Financial statements need to be completed prior to submission of the partnership self-assessment tax returns. Failure to submit the returns on time will result in penalties and is likely to result in interest and surcharges. In order to avoid this, we must have your accounting records within 6 months of the year end, and queries raised on those accounting records must be answered promptly, otherwise we cannot guarantee the completion of the financial statements to ensure the tax returns timely submission.

2 Our responsibilities as accountants

- 2.1 The financial statements are required to enable profits to be calculated to meet the requirements of the relevant tax legislation and that provide sufficient and relevant information to complete the partnership self-assessment tax returns.
- 2.2 You have told us that the LLP is exempt from an audit of the financial statements and have asked us to assist you in the preparation of financial statements in accordance with the requirements of the CA 2006, and to issue an accountant's report on those financial statements. We will compile the annual financial statements for your approval based on the accounting records maintained by you and the information and explanations that you give us.

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- 2.3 As a small entity, the LLP qualifies under CA06, s. 444(1), to file only the balance sheet and associated notes at Companies House. It is assumed that the LLP wishes to file the minimum of information at Companies House, and therefore the financial statements for filing purposes will be prepared on that basis unless you inform us otherwise.
- 2.4 As agreed with you, we shall carry out the following bookkeeping services:
- (a) write up the accounting records insofar as they are incomplete when presented to us; and
 - (b) complete the postings to the nominal ledger.
- 2.5 We will write to you on or around your year-end date to request the information and records we will need to prepare the financial statements.
- 2.6 We do not have any responsibility to report whether any member of the LLP has notified the LLP that he or she requires an audit. Consequently we have no responsibility to carry out any work in respect of this matter.
- 2.7 We will not check whether the LLP is exempt from audit. However, should our work indicate that the LLP is not entitled to exemption from an audit of the financial statements then we will inform you. In these circumstances, if appropriate, we will discuss with you the need to appoint us as auditors.
- 2.8 We have a professional duty to prepare financial statements that conform with generally accepted accounting principles. Furthermore, as members, you have a duty to prepare financial statements that comply with the CA 2006, the Statement of Recommended Practice: *Accounting by Limited Liability Partnerships* and applicable accounting standards as agreed with you. Where we identify that the financial statements do not conform to accepted accounting principles or if the accounting policies adopted are not immediately apparent, this will be made clear in our report, if it is not clear in the financial statements.
- 2.9 We will not specifically check the adequacy of your records; however, where any issues arise during the course of our work, we will advise you on whether your records are adequate for preparation of the financial statements and recommend improvements.
- 2.10 We shall plan our work on the basis that no report 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.
- 2.11 Our work will not be an audit of the financial statements in accordance with International Standards on Auditing (UK). Accordingly, we will not obtain any evidence relating to entries in the accounting records, or to the financial statements or to the disclosures in the financial statements. Nor will we make any assessment of the estimates and judgments made by you in the preparation of the financial statements. 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, or other irregularities or error. In addition, we have no responsibility to determine whether you have maintained adequate accounting records in accordance with CA 2006, s. 386, and we will not address this point unless you specifically request us in writing to do so.
- 2.12 Since we have not carried out an audit, nor confirmed in any way the accuracy or reasonableness of the accounting records maintained by the LLP, we are unable to provide any assurance as to whether the financial statements that we prepare from those records and on which we are reporting present a true and fair view.
- 2.13 We have a professional responsibility not to allow our name to be associated with financial statements 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 are misleading, we will withdraw from the engagement. In these circumstances you agree that we have a right to invoice you for our time spent preparing and discussing the financial statements with you and for time spent on any other work that is not completed as a result of our resignation.

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- 2.14 As part of our normal procedures we may request you to provide written confirmation of any information or explanations given to us orally during the course of our work.
- 2.15 We will report to the designated members, as appropriate, that in accordance with this engagement schedule and to assist you to fulfil your responsibilities, we have not carried out an audit but have compiled the financial statements from the accounting records and from the information and explanations supplied to us.
- 2.16 To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body for our work or this report. If you wish, or are asked, to provide a copy of the financial statements 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 the accountant's report must remain attached to the financial statements shown to the third party.

SECTION 3 OTHER ENTITIES (NON CORPORATE OR LLP)

Your responsibilities

- 1.1 You have agreed that your staff will maintain all accounting records, except as detailed in paragraph 2.6 below.
- 1.2 You are responsible for ensuring that, to the best of your knowledge and belief, financial information, whether used by the entity or for the financial statements, is accurate and complete. You are also responsible for ensuring that the activities of the entity are conducted honestly, and for safeguarding the assets of the entity and for taking reasonable steps to ensure the prevention and detection of fraud.
- 1.3 You are responsible for ensuring that the entity complies with the laws and regulations that apply to its activities, and for preventing non-compliance and for detecting any that occurs.
- 1.4 You have agreed to make available to us, as and when required, all your accounting records and related financial information, including any minutes of directors/partnership/ management/trustee meetings, necessary to carry out our work. You have agreed to provide us with all information and explanations relevant to the purpose and compilation of the financial statements, and you will disclose to us all relevant information in full.
- 1.5 You will approve and sign the financial statements thereby acknowledging responsibility for them, including the appropriateness of the accounting basis on which they are compiled, and for providing us with all information and necessary explanations necessary for their compilation.
- 1.6 If financial information is published, which includes a report by us or is otherwise connected to us, on the entity's website or by other electronic means, you must inform us of the electronic publication and get our consent before it occurs and ensure that it presents the financial information and chartered accountants report properly. We have the right to withhold consent to the electronic publication of our report or the financial statements if they are to be published in an inappropriate manner.
- 1.7 You must set up controls to prevent or detect quickly any changes to electronically published information. We are not responsible for reviewing these controls nor for keeping the information under review after it is first published. You are responsible for the maintenance and integrity of electronically published information, and we accept no responsibility for changes made to any information after it is first posted.
- 1.8 Financial statements need to be completed prior to submission of the tax return. Failure to submit the return on time will result in penalties and is likely to result in interest and surcharges. In order to avoid this, we must have your accounting records within 6 months of the year end, and queries raised on those accounting records must be answered promptly, otherwise we cannot guarantee the completion of the financial statements to ensure the tax return's timely submission.
- 1.9 For partnerships, if required we will complete the personal expense claims of the principals, it will be the responsibility of each principal to provide us with any claim that needs to be incorporated on the partnership tax return. This information must be provided by the time that the partnership accounts have been approved by the practice.

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2 Our responsibilities as accountants

- 2.1 The financial statements are required to enable profits to be calculated to meet the requirements of the relevant tax legislation and that provide sufficient and relevant information to complete a tax return.
- 2.2 The accruals basis involves adjusting for monies owed to or by you, stock held, work in progress and other year-end timing differences.
- 2.3 If certain criteria are met, your business may be eligible to use simpler cash accounting (without year-end adjustments) to calculate the taxable profits. One criteria is that the entity must be a partnership or sole trader. However, it is the policy of this firm to produce more detailed financial statements on an accruals basis as these are more meaningful and allow the business performance to be properly assessed by you.
- 2.4 It should be noted that your tax liabilities may differ between the two approaches but we consider that, in the vast majority of cases, any tax saving attributable to cash accounting is outweighed by factors such as restricted loss relief and the additional administrative costs in switching between the two approaches.
- 2.5 We will compile the financial statements for your approval based on the accounting records that you maintain and the information and explanations that you give us, and issue an accountant's report on those financial statements.
- 2.6 As agreed with you, we shall carry out the following bookkeeping services:
 - (a) write up the accounting records insofar as they are incomplete when presented to us; and
 - (b) complete the postings to the nominal ledger.
- 2.7 We will write to you on or around your year-end date to request the information and records we will need to prepare the financial statements.
- 2.8 We shall plan our work on the basis that no report 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 an audit or assurance review.
- 2.9 We will not be carrying out an audit and accordingly will not verify the assets and liabilities of the entity, nor the items of expenditure and income. To carry out an audit would require additional work to comply with International Standards on Auditing (UK) so that we could report on the truth and fairness of the financial statements.
- 2.10 We would emphasise that we cannot undertake to discover any shortcomings in your systems or any irregularities on the part of your employees, although we will advise you of any such circumstances that we encounter in preparing your financial statements.
- 2.11 We have a professional duty to compile financial information that conform with the generally accepted accounting principles selected by the directors/partners/sole trader/trustees as being appropriate for the purpose for which the information is prepared. The accounting basis on which the information has been compiled, its purpose and limitations will be disclosed in an accounting policy note to the financial information and will be referred to in the accountants' report.
- 2.12 We also have a professional responsibility not to allow our name to be associated with financial information 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 information may be misleading, we will discuss the matter with you with a view to agreeing appropriate adjustments and/or disclosures in the financial information. 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 information is misleading, we will withdraw from the engagement. In these circumstances you agree that we have a right to invoice you for our time spent preparing and discussing the financial statements with you and for time spent on any other work that is not completed as a result of our resignation.
- 2.13 As part of our normal procedures we may request you to provide written confirmation of any information or explanations given to us orally during the course of our work.

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- 2.14 We will annex to the financial statements an accountant's report in accordance with guidance issued by the relevant professional body. In accordance with this engagement the report will point out that we have not carried out an audit but have compiled the financial statements under applicable accounting standards from the accounting records and from the information and explanations supplied to us.
- 2.15 To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than you for our work or for the report. If you wish, or are asked, to provide a copy of the financial statements 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, the accountant's report must remain attached to the financial statements shown to the third party.
- 2.16 For partnerships, if we have been engaged to complete the personal expense claims of the principals, this will be treated as part of the partnership accounts work. The personal expenses will be incorporated into the main partnership accounts, and will require individual approval by the principal concerned. We will incorporate the personal expense details on the partnership tax return.