

## **SCHEDULE OF SERVICE 2 - PREPARATION OF NON-STATUTORY FINANCIAL STATEMENTS IN COMPLIANCE WITH A FINANCIAL REPORTING FRAMEWORK**

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

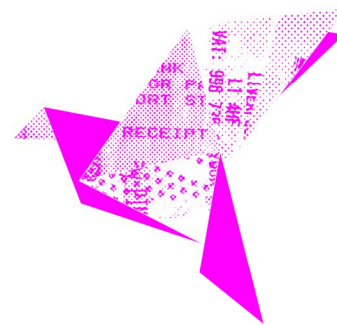
### **1. RESPONSIBILITIES AND SCOPE FOR FINANCIAL STATEMENTS PREPARATION SERVICES**

#### **1.1. Your responsibility for the preparation of financial statements**

- 1.1.1. You have undertaken to make available to us, as and when required, all the accounting records and related financial information, including minutes of management meetings, which we need to do our work. You will 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.
- 1.1.2. You are responsible for ensuring that, to the best of your knowledge and belief, financial information, whether used by the business or for the 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.
- 1.1.3. You will approve and sign the financial statements to acknowledge responsibility for them, including the appropriateness of the accounting basis, and acknowledge responsibility 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 detecting any that occurs.

#### **1.2. Our responsibilities as accountants**

- 1.2.1. You have asked us to help you prepare the financial statements which comply with applicable accounting standards to enable profits to be calculated to meet the requirements of current tax legislation and to provide sufficient and relevant information to complete a tax return. We will compile the financial statements for your approval based on the accounting records [that you maintain] and the information and explanations you give us.
- 1.2.2. We will 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. 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. If an assurance or agreed-upon-procedures engagement is to be undertaken, full details of what is to be undertaken and the result of that work need to be agreed in writing.



- 1.2.3. Our work will not be an audit of the financial statements in accordance with International Standards on Auditing (UK) so we will not be able to provide any assurance that the accounting records or the financial statements are free from material misstatement, whether caused by fraud, other irregularities or error, or to identify weaknesses in internal controls.
- 1.2.4. Since we will not carry out an audit or confirm in any way the accuracy or reasonableness of the accounting records, we cannot provide any assurance whether the financial statements we prepare from those records will present a true and fair view.
- 1.2.5. We will advise you whether your records are adequate for preparation of the financial statements and recommend improvements on anything we come across during the course of our work.
- 1.2.6. We have a professional duty to compile financial statements that conform with generally accepted accounting principles from the accounting records and information and explanations given to us. The accounting policies on which the financial statements have been compiled will be disclosed in the notes to the financial. We will not compile financial statements if 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 financial information or financial statements which we believe may be misleading. Therefore, although we are not required to search for such matters, if 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. If adjustments and/or disclosures that we consider appropriate are not made or if 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.
- 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 the terms of your engagement letter, 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. 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. If you wish to share this report with third parties, before doing so, you must discuss this with us, receive our consent and follow any stipulated conditions.