



adamsmoore accountants | business advisers
total support for you and your business

STANDARD ENGAGEMENT – LIMITED COMPANY

The purpose of this letter is to set out the basis on which we are to act as accountants and tax agents of **Limited Company** and the respective areas of responsibility of you and of ourselves.

1 Professional services provided

The professional services you have asked us to carry out are as follows:

- Compilation of the unaudited statutory financial statements (see section 2 below)
- Taxation (see section 3 below)

The scope of these services is set out below and should be read in conjunction with our most recent terms of business at sections 4-18. Any additional services that you ask us to provide will be subject to new or amended terms of engagement.

2 Compilation of Statutory Financial Statements

Responsibilities of the directors

- 2.1 As directors of the above company, in addition to your general duties specified in sections 170 to 177 of the Companies Act 2006, you are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable you to ensure that the financial statements comply with the Companies Act 2006. You are also responsible for preparing financial statements which give a true and fair view, have been prepared in accordance with [United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)] and the Companies Act 2006 and regulations made under it.
- 2.2 In preparing the financial statements, you are required to:
- select suitable accounting policies and then apply them consistently;
 - make judgements and estimates that are reasonable and prudent; and
 - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- 2.3 You also have a responsibility not to approve these financial statements unless you are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit and loss of the company.
- 2.4 Your responsibility for preparation of the financial statements extends to the application of exemptions and options on transition to, and application of, new accounting standards. As directors of the company you should also consider the impact of new accounting standards on the business, including the impact on going concern.
- 2.5 You have instructed us to prepare accounts under The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 as amended by The Small Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015. Your responsibilities as directors are to obtain the necessary consents and ensure the required statement is delivered to the registrar.

Adams Moore Limited

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Director: M Crook ACMA Company Registered No.: 04779275

- 2.6 You are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- 2.7 You are also responsible for determining whether, in respect of the year, the company meets the conditions for exemption from an audit of the accounts set out in section 477 [or 479A or 480] of the Companies Act 2006, and for determining whether, in respect of the year, the exemption is not available for any of the reasons set out in sections 476, 478 and 479 [479B or 481].
- 2.8 You are responsible for ensuring that the company complies with the laws and regulations that apply to its activities, and for preventing non-compliance and for detecting any that occurs.
- 2.9 You have undertaken to make available to us, as and when required, all the company's accounting records and related financial information, including minutes of management and shareholders' meetings necessary for the compilation of the accounts. You will make full disclosure to us of all relevant information.
- 2.10 Where financial information is to be published, which includes a report by us or is otherwise connected to us, on the company's website or by other electronic means, it is your responsibility to advise us of the intended electronic publication before it occurs and to ensure that any such publication properly presents the financial information and our report. We reserve the right to withhold consent to the electronic publication of our report if it, or the financial statements, are to be published in an inappropriate manner. It is your responsibility to ensure there are controls in place to prevent or detect quickly any changes to that information. We are not required to review such controls nor to carry out ongoing reviews of the information after it is first published. The maintenance and integrity of the company's website is your responsibility and we accept no responsibility for changes made to such information after it is first posted.

Responsibilities of the accountants

- 2.11 As the company is totally exempt from audit, we have no statutory responsibilities to the company at all. Our only responsibilities arise from those specifically agreed upon between us in respect of other professional services.
- 2.12 You have asked us to help you prepare the financial statements in accordance with the requirements of the Companies Act 2006. We will compile the annual financial statements for your approval based on the accounting records maintained by you and the information and explanations given to us by you. 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.
- 2.13 You have advised us that the company is exempt from an audit of the financial statements. We will not check whether this is the case. However, should our work indicate that the company is not entitled to the exemption, we will inform you.
- 2.14 Our work will not be an audit of the financial statements in accordance with the International Standards on Auditing (UK and Ireland). 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.
- 2.15 Since we will not carry out an audit, nor confirm 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 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.
- 2.16 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. Where we identify that the financial statements do not conform to UK GAAP or if the accounting policies adopted are not immediately apparent this will need to be disclosed in the financial statements.
- 2.17 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 are misleading, we will withdraw from the engagement.
- 2.18 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 Taxation services

- 3.1 We shall prepare, in respect of each accounting period of the company, a computation for corporation tax purposes adjusted in accordance with the provisions of the Taxes Acts. We shall also prepare the return form CT600 and subsidiary forms required by self assessment. The self assessment forms together with the supporting corporation tax computations, will be sent to you for written approval and signature prior to submission to the Inspector of Taxes.
- 3.2 We will convert your accounts in to the required iXBRL format appropriate for the purposes of submission of the accounts to HMRC.
- 3.3 We shall advise you as to appropriate payments of corporation tax and S455 CTA2010 liabilities (loans to participators), if applicable.
- 3.4 If the company is selected for enquiry by the HM Revenue and Customs, we will agree separate terms of engagement. The supplementary engagement terms will include responsibilities and fees as appropriate.

4 Applicable law

- 4.1 This engagement letter shall be governed by, and construed in accordance with English law. The Courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.
- 4.2 Persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.
- 4.3 The advice we give you is for your sole use and is confidential to you and will not constitute advice for any third party to whom you may communicate it. We will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

5 Quality of service

We aim to provide you with a fully satisfactory service and [name] as engagement partner will seek to ensure that this is so. If, however, you are unable to deal with any difficulty through [him][her] and [his][her] team please contact [name and telephone number and / or email address]. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If we do not answer your complaint to your satisfaction you may of course take up the matter with our professional bodies, by whom we are regulated.

6 Investment advice

We are not authorised by the Financial Conduct Authority to conduct Investment Business. If you require investment business services we will refer you to a firm authorised by the Financial Conduct Authority.

7 Fees and payment terms

- 7.1 Our fees may depend not only on the time spent on your affairs by the partners and our staff and on the levels of skill and responsibility involved, but also the level of risk identified and any advice provided. Unless otherwise agreed, our fees will be billed at appropriate intervals during the course of the year and will be due on presentation.
- 7.2 If it is necessary to carry out work outside the responsibilities outlined in this letter it will involve additional fees. Accordingly we would like to point out that it is in your interests to ensure that your records etc., are completed to the agreed stage.

Our fees will exclude out of pocket expenses. Out of pocket expenses (plus VAT (if applicable)) will be billed as incurred for reimbursement by you.
- 7.3 It is our normal practice to request that clients make arrangements to pay a proportion of their fee on a monthly standing order. These standing orders will be applied to fees arising from work agreed in this letter of engagement for the current and ensuing years. Once we have been able to assess the amount of work and time involved we would be grateful if you would agree to pay an amount to us on a regular basis.
- 7.4 Our terms relating to payment of amounts invoiced and not covered by standing orders, where appropriate, are strictly 30 days net. Interest will be charged on all overdue debts at the rate of 3% per annum.

8 Retention of and access to records

- 8.1 During the course of our work we will collect information from you and others acting on your behalf and will return any original documents to you following the preparation of your accounts and returns.
- 8.2 Whilst certain documents may legally belong to you, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we consider to be of continuing significance. If you require retention of any document you must notify us of that fact in writing.

9 Proceeds of Crime Act 2002 and Money Laundering Regulations 2007

- 9.1 In common with all accountancy and legal practices, we are required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 to:
- have due diligence procedures for the identification of all clients;
 - maintain appropriate records of evidence to support customer due diligence; and
 - report in accordance with the relevant legislation and regulations.

10 Electronic communication

- 10.1 Internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communications after their despatch. It may therefore be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. We do not accept responsibility for any errors or problems that may arise through the use of internet communication and all risks connected with sending commercially sensitive information relating to your business are borne by you. If you do not agree to accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication.
- 10.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.

11 Data Protection

- 11.1 To enable us to discharge the services agreed in this engagement letter, comply with related legal and regulatory obligations and for other related purposes including updating and enhancing client records and analysis for management purposes, as a data controller, we may obtain, use, process and disclose personal data about you / your business / company / its shareholders / members / officers and employees as described in our privacy notice. We confirm when processing data on your behalf that we will comply with the provisions of all relevant data protection legislation and regulation¹.
- 11.2 You are also an independent controller responsible for complying with data protection legislation and regulation in respect of the personal data you process and, accordingly where you disclose personal data to us you confirm that such disclosure is fair and lawful and otherwise does not contravene relevant requirements. Nothing within this engagement letter relieves you as a data controller of your own direct responsibilities and liabilities under data protection legislation and regulation.
- 11.3 Our privacy notice, which can be found on our website at *Adamsmoore.com* explains how we process personal data in respect of the various services that we provide.

12 Confidentiality

- 12.1 Where you give us confidential information, we confirm that we shall at all times keep it confidential, other than as required by law, by our insurers, or as provided for in regulatory (including external peer reviews), ethical or other professional statements relevant to our engagement. This will apply during and after this engagement.
- 12.2 We may subcontract our work to other professionals within the sector. Any subcontractors are also bound by our client confidentiality terms.

13 External review

- 13.1 As part of our ongoing commitment to providing a quality service, our files are periodically reviewed by an independent regulatory or quality control body. These reviewers are highly experienced and professional people and, of course, are bound by the same rules for confidentiality as us.

¹ Including the Data Protection Act 2018, the General Data Protection Regulation (GDPR) and any related regulations.

14 Professional rules and practice guidelines

We will observe and act in accordance with the bye-laws, regulations and Code of Ethics of our Professional Bodies and accept instructions to act for you on this basis. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.

15 Conflicts of interest

- 15.1 We reserve the right during our engagement with you to deliver services to other clients whose interests might compete with yours or are or may be adverse to yours, subject to our confidentiality clause. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting the company.
- 15.2 If a conflict of interest should arise, either between two or more of our clients, or in the provision of multiple services to a single client, we will take such steps as are necessary to deal with the conflict. In resolving the conflict, we would be guided by our Code of Ethics.

16 Professional indemnity Insurance

In accordance with our professional bodies’ rules we are required to hold professional indemnity insurance. Details about the insurer and coverage can be provided on enquiry.

17 Timing of our services

- 17.1 If you provide us with all information and explanations on a timely basis in accordance with our requirements, we will plan to undertake the work within a reasonable period of time in order to meet any regulatory deadlines. However, failure to complete our services prior to any such regulatory deadline would not, of itself, mean that we are liable for any penalty or additional costs arising.

18 Agreement of terms

- 18.1 The terms set out in this letter shall take effect immediately upon your countersigning this letter and returning it to us or upon the commencement of the work for the accounting period ended [redacted], whichever is the earlier.
- 18.2 Once it has been agreed, this letter will remain effective until it is replaced. We shall be grateful if you could confirm in writing your agreement to these terms by signing and returning the enclosed copy of this letter, or let us know if they are not in accordance with your understanding of our terms of engagement.

Yours faithfully

.....
Signed for and on behalf of Adams Moore Limited

We agree to the terms of this engagement letter

.....
Signed for and on behalf of

.....
Print name / position

.....
Date