

5B - PREPARATION AND MAINTENANCE OF ACCOUNTING RECORDS

SCHEDULE OF SERVICES

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

1. RESPONSIBILITIES AND SCOPE FOR ACCOUNTING SERVICES

1.1. Your responsibility for the provision of information

- 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, preparation and maintenance of the accounting records, 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 accounting records, 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 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. Preparation and maintenance of accounting records

Our responsibilities

- 1.2.1. We will maintain your accounting records using appropriate computer software. We have explained to you verbally what this means.
- 1.2.2. From the information and explanations you supply we will keep the following records, as appropriate:
 - a) reconciliations of the bank and cash control accounts;
 - b) a record of sales;
 - c) a record of purchases;
 - d) a record of amounts owed to the business;
 - e) a record of amounts owed by the business;
 - f) reconciliations of wages and PAYE/NIC control accounts
 - g) reconciliations of loan and/or hire purchase control accounts
 - h) reconciliations of VAT control account
- 1.2.3. We will not be carrying out an audit. This means that we will not produce a report that verifies the assets, liabilities, income or expenditure of your business. To carry out an audit would

require considerable additional work complying with Auditing Standards, which we are not authorised to do.

- 1.2.4. We would like to emphasise that we cannot undertake to discover any shortcomings in your systems or any irregularities on the part of you or your employees. However we will advise you if we come across anything of this nature in the course of preparing the accounts.

Your responsibilities

- 1.2.5. You have agreed that, as appropriate, you will:
- a) post the purchases and sales invoices;
 - b) post/allocate bank payments and receipts
 - c) post any cash receipts and payments
 - d) post any credit card payments
 - e) prepare details of the annual stocktaking, suitably priced and extended in a form which will enable us to verify the prices readily by reference to suppliers' invoices or provide us with a copy of the valuation report produced by your independent stocktakers; and/or
 - f) prepare details of work-in-progress at the accounting date and make available to us the documents and other information from which the statement is compiled.
- 1.2.6. You have agreed to provide us with the following information, as appropriate, so that we can carry out the bookkeeping work:
- a) bank statements;
 - b) bank feed to the computerized accounting software
 - c) payroll records
 - d) stock and work-in-progress details at the end of each month;
 - e) access to your accounting records;
 - f) a list of amounts recoverable under contracts at the end of each month.
- 1.2.7. You agree to provide us with complete and accurate information. Where you become aware that information provided by you has altered, or circumstances have changed, you are responsible for advising us of this as soon as possible. We are not responsible for advice or reports provided that would have been altered had we been aware of the full facts.