

BOOKKEEPING SERVICES

The purpose of this Appendix is to set out the basis on which we act as your accountant in regard to bookkeeping services and your responsibilities. If we undertake the preparation of your annual [financial statements/accounts] or management accounts then this work will be covered in separate appendices.

We will communicate with the signatory of the Letter of Engagement in relation to this assignment having agreed with you that they will represent you.

This is a continuing engagement and this Appendix replaces our previous Letter of Engagement.

You have requested that we undertake bookkeeping on an ongoing **basis/weekly/monthly/quarterly/annually**.

1. Your responsibilities

- 1.1 You are responsible for keeping adequate accounting records that set out with reasonable accuracy at any time the business's financial position. You have asked us to assist you in fulfilling this duty.
- 1.2 You are responsible for ensuring that appropriate accounting policies and estimation techniques are followed by your business.
- 1.3 You are responsible for ensuring that the business's assets are safeguarded, and for establishing arrangements designed to deter fraudulent or other dishonest or irregular conduct, and detect any that occurs.
- 1.4 You are responsible for ensuring that the business complies with applicable law and regulations, and for establishing arrangements designed to prevent any non-compliance with law and regulations and to detect any that occur.
- 1.5 You have undertaken to make available to us, as and when required, all the business's accounting records and related financial information, including minutes of management meetings necessary to undertake our engagement. You will make full disclosure to us of all relevant information that we need to do our work.
- 1.6 [You have agreed to:
 - keep a record of all receipts (bank and cash), payments (bank and cash), purchases and sales (including orders, invoices and statements);
 - maintain a cash book;
 - maintain a petty cash book;
 - maintain a sales day book and a sales ledger;
 - maintain a purchase day book and a purchase ledger;
 - analyse and post the company credit card(s);
 - reconcile the bank account(s) [daily/weekly/monthly/quarterly];
 - reconcile the sales ledger to the sales ledger control account [daily/weekly/monthly/quarterly];
 - reconcile the purchase ledger to the purchase ledger control account

- [daily/weekly/monthly/quarterly];
- reconcile individual purchase ledger balances to any supplier statements received;
- review and investigate any credit balances on the sales ledger and debit balances on the purchase ledger;
- review and clear any suspense accounts;
- update the tangible fixed assets register, including providing for appropriate depreciation [daily/weekly/monthly/quarterly];
- produce a list of stock/work in progress/amounts recoverable on contracts;
- value items on the stock list;
- automatically/via journal import the payroll information;
- reconcile the gross wages/net wages/PAYE NI control accounts;
- reconcile the VAT account;
- calculate and post accruals and prepayments;
- post provisions for tax and deferred tax;
- produce a nominal ledger and trial balance.]

2. Scope of our work

2.1 You have asked us to assist you in maintaining your accounting records, we have agreed to:

- [Amended from from section 1.6 as appropriate
- keep a record of all receipts (bank and cash), payments (bank and cash), purchases and sales (including orders, invoices and statements);
- maintain a cash book;
- maintain a petty cash book;
- maintain a sales day book and a sales ledger;
- maintain a purchase day book and a purchase ledger;
- analyse and post the company credit card(s);
- reconcile the bank account(s) [daily/weekly/monthly/quarterly];
- reconcile the sales ledger to the sales ledger control account [daily/weekly/monthly/quarterly];
- reconcile the purchase ledger to the purchase ledger control account [daily/weekly/monthly/quarterly];
- reconcile individual purchase ledger balances to any supplier statements received;
- review and investigate any credit balances on the sales ledger and debit balances on the purchase ledger;
- review and clear any suspense accounts;
- update the tangible fixed assets register, including providing for appropriate depreciation [daily/weekly/monthly/quarterly];
- produce a list of stock/work in progress/amounts recoverable on contracts;
- value items on the stock list;
- automatically/via journal import the payroll information;
- reconcile the gross wages/net wages/PAYE NI control accounts;
- reconcile the VAT account;
- calculate and post accruals and prepayments;
- post provisions for tax and deferred tax;
- produce a nominal ledger and trial balance.]

- 2.2 We will advise you as to the adequacy of any accounting records that you have maintained and make recommendations for improvements, which we consider necessary.
- 2.3 If your records are kept in Quickbooks Online, please refer to a separate agreement concerning the payment of the Quickbooks Online monthly fees.