The compilation engagement letter

United Kingdom edition

[Firm letterhead]

[Date]

[Management / The Directors], [Entity name]
[Address]

Dear [Client contact],

PURPOSE AND INTENDED USE

This letter sets out the terms on which we will compile the financial statements of [Entity name] for the period ending [date]. You have told us the statements are intended for use by [management / the owners / name of third party] for the purpose of [purpose].

OUR RESPONSIBILITIES

We will compile the financial statements from the records, documents, explanations and other information you provide, in accordance with ICAEW TECH 07/16 AAF and the ethical requirements that apply to us. A compilation is not an audit or a review. We will not verify the accuracy or completeness of the information you give us, and we will not express an opinion or a conclusion, or provide any assurance, on the financial statements.

Our work cannot be relied on to detect errors, fraud or illegal acts. If we become aware that the information is incomplete, inaccurate or otherwise unsatisfactory, we will ask you for further information, and if it is not provided we may withdraw from the engagement.

YOUR RESPONSIBILITIES

You are responsible for the financial statements; for selecting a basis of accounting that is acceptable for their intended use, which you have agreed will be [basis of accounting]; for the accuracy and completeness of the records, documents, explanations and other information you provide; for the judgments needed to prepare the statements, including those we assist with; and for giving us access to all the information we need.

Where the statements are to be given to a third party, you acknowledge that the third party is able to obtain further information from you, or has agreed the basis of accounting with you.

OUR REPORT

We will issue a Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited Statutory Accounts, which will state that we compiled the statements from information you provided, that you are responsible for them, and that we did not audit or review them or provide any assurance. You agree to include our report whenever the statements, or any document that

says we compiled them, are distributed. The report may differ in form from this description if our findings require it.

FEES

Our fee is [amount] in pounds sterling, invoiced [when], payable within [number] days. Work outside this scope is charged at [rate] per hour and agreed with you first.

CONFIDENTIALITY AND YOUR INFORMATION

We keep your information confidential, hold it in accordance with the UK GDPR, and retain our working papers for [number] years.

AGREEMENT

Please sign and date a copy of this letter to confirm that these terms are agreed.

Yours sincerely,
[Name], [Firm name]

Acknowledged and agreed on behalf of [Entity name] by [Name, Title]:

Signature _____ Date _____

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