

McGROARTY, McCAFFERTY & COMPANY

Accountants and Registered Auditors

Directors

PATRICK McCAFFERTY, Chartered Accountant
PATRICK McGROARTY, Chartered Certified Accountant

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The Directors

Creggan Pre-School & Training Trust Ltd
13A Cromore Gardens
Creggan
Derry
BT48 9TF

Dear Directors

Following our recent meeting we feel that it would be useful to set out the services which we agreed to provide as your accountants. To enable us to perform these services we will require you to provide us with all relevant information.

1 Accounting services

Our responsibilities

- 1.1 As the company is exempt from the requirement for any external scrutiny, 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.
- 1.2 You have asked us to assist you in the preparation of the financial statements. 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 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, independent examinations or reviews.
- 1.3 You have advised us that the company is exempt from an audit of the financial statements. We will not carry out any work to determine whether or not the company is entitled to audit exemption. However, should our work indicate that the company is not entitled to the exemption, we will inform you of this.
- 1.4 Our work will not be an audit of the financial statements in accordance with Auditing Standards. 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.
- 1.5 Since we have not carried out an audit, nor confirmed 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.
- 1.6 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. Furthermore, as directors, you have a duty to prepare financial statements that comply with the Companies Act 2006 and applicable accounting standards. Where we identify that the financial statements do not conform to accepted accounting principles or if the accounting policies adopted are not immediately apparent this will need to be disclosed in the financial statements.

1.7 We have a professional responsibility not to allow our name to be associated with financial statements which 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.

1.8 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.

Proceeds of Crime Act 2002 and Money Laundering Regulations 2007

1.9 In common with all accountancy and legal practices, we are required by 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.

Your responsibilities

1.10 You are responsible for ensuring that the company maintains proper accounting records and for preparing accounts which give a true and fair view and which have been prepared in accordance with the Companies Act 2006.

1.11 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.

1.12 You are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and for ensuring that the financial statements comply with the Companies Act 2006. You are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

1.13 You are responsible for ensuring that the company complies with the laws and regulations applicable to its activities, and for establishing arrangements designed to prevent any noncompliance with laws and regulations and to detect any that occur.

1.14 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 meetings necessary for the compilation of the accounts. You will make full disclosure to us of all relevant information.

Form of the accountants' report

1.15 We shall report to the Board of Directors, with any modifications that we consider may be necessary, that in accordance with this engagement letter and in order to assist you to fulfil your responsibilities, we have compiled, without carrying out an audit, the financial statements from the accounting records and from the information and explanations supplied to us.

2 Limitation of liability

2.1 We will perform the engagement with reasonable skill and care. The total aggregate liability to the company and the Board of Directors, as a body, of whatever nature, whether in contract, tort or otherwise, of McGroarty McCafferty & Company Ltd, for any losses whatsoever and howsoever caused arising from or in any way connected with this engagement shall not exceed the agreed fee.

2.2 You agree to hold harmless and indemnify us, our partners, and staff against any misrepresentation (intentional or unintentional) supplied to us orally or in writing in connection with this agreement.

3 Other services

3.1 Accounting

We shall:

- a prepare the accounts based on accounting records maintained by yourselves. You have agreed that your staff will be responsible for:
 - i keeping the record of receipts and payments;
 - ii reconciling the balances monthly with the bank statements;
 - iii keeping posted and balanced the purchase and sales ledgers;
 - iv preparing a detailed list of ledger balances;
 - v preparing details of the annual stocktaking suitably priced and extended.
- b provide assistance to the company secretary by preparing and lodging returns with the Registrar of Companies;
- c investigate irregularities and fraud upon receiving specific instructions.

4 Fees

- 4.1 Our fees are computed on the basis of the time spent on your affairs by the partners and our staff and on the levels of skill and responsibility involved. Unless otherwise agreed, our fees will be billed at appropriate intervals during the course of the year and will be due on presentation.
- 4.2 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.
- 4.3 Invoices are payable in full before within 30 days of the invoice date

5 Retention of and access to records

- 5.1 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.
- 5.2 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.

6 Applicable law

- 6.1 This engagement letter shall be governed by, and construed in accordance with, English / Northern Irish law. The Courts of England / Northern Ireland 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.
- 6.2 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.

7 Electronic communication

- 7.1 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.

7.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.

8 Data Protection Act 1998

8.1 We may obtain, use, process and disclose personal data about you in order that we may discharge the services agreed under this engagement letter, and for other related purposes including updating and enhancing client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance. You have a right of access, under data protection legislation, to the personal data that we hold about you. For the purposes of the Data Protection Act 1998, the Data Controller in relation to personal data supplied about you is Patrick McGroarty.

9 External review

We are subject to external review by independent qualified accountants. Accordingly our client files can be reviewed by an external reviewer who will be subject to a confidentiality agreement.

10 Quality of service

We aim to provide you with a fully satisfactory service and Patrick McCafferty as engagement partner will seek to ensure that this is so. If, however, you are unable to deal with any difficulty through him and his team please contact Patrick McGroarty. 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 the ICAI by whom we are regulated.

11 Agreement of terms

11.1 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 our work.

11.2 These terms will also apply to any matter dealt with in respect of periods prior to the date of this letter.

11.3 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


.....
McGroarty McCafferty & Co Limited

We agree to the terms of this letter


.....
Signed, for and on behalf of Creggan Pre-School & Training Trust Ltd

Date 4-9-23

CHAIR
.....
Position