

Our Ref: PLSU109431/NC/AC/KD
 Your Ref:
 Date: 12 September 2023



PRIVATE & CONFIDENTIAL

The Board of Directors
 Surrey & Kent Commercial Services LLP
 1 Abbey Wood Road
 Kings Hill
 West Malling
 ME19 4YT

8

Dear Sirs

2023 Audit of Surrey & Kent Commercial Services LLP

Introduction

In order to carry out our duties and responsibilities as auditors, we are required by International Standard on Auditing (UK) 260 "*Communication with those charged with governance*" ("ISA 260"), to communicate matters arising from the audit of the above named LLP to you.

Our fieldwork is complete, and we propose to issue an unmodified audit report for the year.

Our Approach to the Audit

Our work was planned to provide a focused and robust audit, so as to:

- Provide an independent opinion as to whether the financial statements give a true and fair view; and;
- State whether the financial statements have been properly prepared in accordance with the Companies Act 2006

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with ISAs.

When planning our audit work, we sought to minimise the risk of material misstatements occurring in the financial statements. To do this, we considered both the risk inherent in the financial statements themselves and the control environment in which your LLP operates. We then used this assessment to develop an effective approach to the audit.

Based on our knowledge of the LLP, we assessed the risks to the LLP and planned our audit with regard to these risks. Our auditing standards require us to include the following as significant risks:

- Management override; and;
- Revenue recognition.

The following additional risks was identified:

- Going concern

There were no changes to our audit approach as set out in our audit plan letter.



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Bishop Fleming is a trading name of Bishop Fleming LLP, a limited liability partnership registered in England and Wales No. OC391282. Registered office: Stratus House, Emperor Way, Exeter Business Park, Exeter, Devon, EX1 3QS. A list of members' names is available at the office address.

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Responsibilities of the Directors

The directors are responsible for the preparation of the financial statements and for making available to us all the information and explanations we consider necessary.

The matters dealt with in this letter came to our attention during the conduct of our normal audit and assurance procedures which are designed primarily for the purpose of expressing our opinion on the financial statements of the above LLP.

In consequence our work did not encompass a detailed review of all aspects of the systems and controls and cannot be relied upon necessarily to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might reveal.

We would be pleased to discuss any further work in this regard with trustees and/or management.

Qualitative Aspects of Accounting Practices and Financial Reporting

The following key audit and accounting issues were discussed and agreed at our closing audit meeting:

- Presentation of the accounts

Audit Materiality

In carrying out our audit work we considered whether the financial statements are free from 'material misstatement'.

Materiality is an expression of the relative significance of a particular matter in the context of the financial statements as a whole. An item will normally be considered material if its omission would reasonably influence the decisions of those using the financial statements.

The assessment of whether a misstatement is material in the context of the financial statements is a matter of professional judgement and will have regard to both the amount and the nature of the misstatement. Thus, different materiality levels may be appropriate when considering different aspects of the financial statements.

Independence

We have complied with the Financial Reporting Council's Ethical Standard and all threats to our independence, as identified to you our audit plan, have been properly addressed through appropriate safeguards. No additional facts or matters have arisen during the course of the audit that we wish to draw to your attention, and we confirm that we are independent and able to express an objective opinion on the financial statements.

Outstanding Audit Matters

Prior to issuing our audit report we require:

- Approval of the financial statements; and
- Receipt of the management representation letter.

Audit adjustments

During the course of our audit, we have not identified adjustments which have been processed in the financial statements, on the agreement of management.

Unadjusted items

We do not deem the total of the unadjusted items to be material to the financial statements. Within our letter of representation, we request you confirm that the effects of not recording such misstatements identified in the financial statements are, both individually and in the aggregate, immaterial to the financial statements of the LLP as a whole.

Representation Letter

We attach a draft of our representation letter, which should be reviewed, signed and returned to us by the Board of Directors.

Internal financial controls

Our review of the LLPs system of internal control is carried out to assist us in expressing an opinion on the financial statements of the Company as a whole. This work is not primarily directed towards the discovery



of weaknesses or the detection of fraud or other irregularities (other than those which would influence us in forming that opinion) and should not therefore be relied upon to show that no other weaknesses exist. Accordingly, we refer only to significant matters which have come to our attention during the course of our normal audit work and do not attempt to indicate all possible improvements which a special review might reveal.

Accompanying this letter is a memorandum noting our significant control observations together with any recommendations we have for possible improvements which could be made. See Appendix I.

We would be grateful if you could enter the comments against each point under the "management response" column of the memorandum and return it to us in due course.

This letter has been prepared for the sole use of the Board of Directors, management and others of the LLP and must not be shown to third parties without our prior consent. No responsibilities are accepted by Bishop Fleming towards any party acting or refraining from action as a result of this report.

Finally, we would like to take this opportunity to thank your staff for the co-operation we have received throughout our audit. If there are any further matters which you wish to discuss concerning our audit, please do not hesitate to call us.

Yours faithfully

BISHOP FLEMING LLP



APPENDIX I

Control Observations and Recommendations

Description & Impact	Recommendation	Management Response	Category
Current year observations			
<p>Signed employee contracts</p> <p>While performing payroll testing, 2 of a sample of 5 contracts reviewed did not have evidence of the contract being signed by the employee. We would expect evidence to be retained for all signed contracts.</p>	<p>We recommend that all contracts of employment held on file should be signed by both parties in order to be compliant with employment laws and regulations.</p>	<p>With the advent of hybrid / remote working it is not always possible for employment contracts to be signed, nevertheless as a Group we are in the process of utilising the DocuSign technology to ensure that employment contracts are signed moving forward.</p>	●

- Observations refer to issues that are so fundamental to the system of internal control that management should address immediately to minimise the risk of a material misstatement within the financial statements
- Observations refer mainly to issues that have an important effect on the system of internal control and, if left uncorrected could potentially lead to a material misstatement within the financial statements.
- Observations refer to issues that would if corrected, improve internal control in general and engender good practice, but is unlikely to have a material impact on the financial statements



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