

Summary of work performed on the Balance sheet and income statement

Income and Expenditure Account for the Year Ended 31 October 2016

	2016 £'000									
Contributions received	8,830	This has not been covered in Deloitte testing. The rationale for this being excluded, as in prior year is because the work that PwC did to test the revenue was a computer auditing technique which took a download from the CRM system of all forms completed, tested these through to Epicor 9 where the invoices are raised and from their through to the cash matching. The transfer to AX was then also tested. Because this was computer based they tested 100% of revenue (to within materiality and so would not have gone into great detail if there were small differences). As such the additional comfort gained from a manual sample performed by Deloitte was not considered to add anything								
Grant recoveries	10,862	Split as: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">£'000</th> <th></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">9,583</td> <td>Covered by Deloitte testing. 99% tested by value.</td> </tr> <tr> <td style="text-align: center;">1,280</td> <td>Covered by Deloitte testing. A sample of 25 was tested. This test covered recoveries received into the SRA for both items to be paid over to the compensation fund and those relating to the SRA. The correct allocation was tested along with the correct values being recorded and transferred.</td> </tr> <tr> <td style="text-align: center;">10,862</td> <td></td> </tr> </tbody> </table>	£'000		9,583	Covered by Deloitte testing. 99% tested by value.	1,280	Covered by Deloitte testing. A sample of 25 was tested. This test covered recoveries received into the SRA for both items to be paid over to the compensation fund and those relating to the SRA. The correct allocation was tested along with the correct values being recorded and transferred.	10,862	
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Investment income received	339	Not covered by Deloitte work because of the low value and low number of transactions. There is a reconciliation back to bank statements available upon request								
Residual balances from Statutory Trust accounts	967	Covered by Deloitte testing, 80% coverage obtained.								
Grants paid	(10,268)	Covered by Deloitte testing, 83% coverage obtained.								
Administration costs	(8,709)	This is all compensation fund recharge. Because of the scope of agreed upon procedures all that would be tested in relation to this would be extrapolation of the percentages used and possibly confirmation of approval of these percentages. There has been no change to the rates in the current year and the calculation has been tested by PwC as part of the audit.								
Auditors' remuneration – audit fees	(39)	Not included in the testing due to size								
Income tax	209	Not included in the testing due to size								

Balance Sheet as at 31 October 2016

	2016 <u>£'000</u>	
Investments – cash funds	33,915	Not included in the testing. Bank reconciliations performed for all accounts at year end. These were reviewed by PwC who also independently obtained confirmations from the bank accounts of the values held
Bank and cash	6,921	
Amounts owed from the Law Society	5,856	Not included as this agrees back to TLS. Any testing performed by Deloitte would only test this.

Notes

Disclosure of significant assets and liabilities	42.1m	As part of the grant payments testing Deloitte have tested back to the forms being correctly recorded on the system. Thereby supporting the report used to create this disclosure.
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