

## LIMITED COMPANIES

### Schedule of Service

This schedule should be read in conjunction with the engagement letter and the standard terms and conditions.

#### Company Accounts

##### Recurring compliance work – accounts

We will prepare the company accounts in accordance with FRS102, FRS105 and generally accepted accounting standards from the books, accounting records and other information and explanations provided to us by you and/or by others on your behalf.

We will complete the writing up of your books and records in so far as they are incomplete when presented to us. These will be from the accounting information and records you supply.

We will not be carrying out any audit work as part of our assignment and accordingly will not verify the assets and liabilities of the business, nor the items of expenditure and income. To carry out an audit would entail additional work to comply with International Standards on Auditing so that we could report on the truth and fairness of the financial statements.

Accordingly, we shall not seek any independent evidence to support the entries in the accounting records, or to prove the existence, ownership or valuation of assets or completeness of income, liabilities or disclosure in the accounts. Nor shall we assess the reasonableness of any estimates or judgements made in the preparation of the accounts. Consequently, our work will not provide any assurance that the accounting records are free from material misstatement, irregularities or error. We would also like to emphasise that we cannot undertake to discover any shortcomings in your systems or irregularities on the part of your employees.

We have a professional duty to compile accounts that conform with generally accepted accounting principles. Where we identify that the accounts do not conform with generally accepted accounting principles or standards, we will inform you and suggest amendments be put through the accounts before being finalised. We have a professional responsibility not to allow our name to be associated with accounts that may be misleading. In extreme cases, where this matter cannot be resolved, we will withdraw from the engagement and notify you in writing of the reasons.

Should you instruct us to carry out any alternative report it will be necessary for us to issue a separate letter of engagement.

To ensure that anyone reading the accounts is aware that we have not carried out an audit, we will attach to the accounts a report stating this fact.

We will attach to the accounts a report developed by the Consultative Committee of Accountancy Bodies (CCAB) that explains what work has been done by us, the professional requirements we have to fulfil and the standard to which the work has been carried out.

Once we have issued our report we have no further responsibility in relation to the accounts for that financial year. However, we expect that you will inform us of any material event occurring between the date of our report and that of the approval of the accounts that may affect the accounts.

Ad hoc queries by way of telephone and email enquiries are not routine compliance and may result in additional fees where not covered by a fixed fee arrangement. As indicated below, where appropriate we will aim to discuss and agree additional fees, but it may not always be possible to agree these in advance and we reserve the right to charge you an additional fee for these queries.

### Ad hoc and advisory work

Where you have instructed us to do so we will provide such other taxation ad hoc and advisory services as may be agreed between us from time to time. These services will be subject to the terms of our engagement letter and standard terms and conditions of business unless we decide to issue a separate engagement letter. An additional fee may be charged for these services. Examples of such work include:

- advising on ad hoc transactions and queries (including telephone conversations); and
- advising on double tax relief if appropriate.

Where specialist advice is required, on occasions we may need to seek this from or refer you to appropriate specialists. We will only do this when instructed by you.

### Changes in the law or practice or in public policy

We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law or practice or in public policy or your circumstances.

We will accept no liability for losses arising from changes in the law or practice or in public policy that are first published after the date on which the advice is given.

### Your responsibilities

You are required by statute to prepare accounts (financial statements) for each financial year, which give a true and fair view of the state of affairs of the company and of its profit or loss for that period. In preparing those accounts you must:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

It is your responsibility to keep proper accounting records that disclose with reasonable accuracy at any particular time the financial position of the company. It is also your responsibility to safeguard the assets of the company and to take reasonable steps for the prevention of and detection of fraud and other irregularities with an appropriate system of internal controls.

You are responsible for determining whether, in respect of the year concerned, the company

meets the conditions for exemption from an audit set out in section 477, 479A or 480 of the Companies Act 2006.

You are also responsible for making available to us, as and when required, all the accounting records and all other relevant records and related information, including minutes of meetings.

To enable us to carry out our work you agree to:

- keep proper accounting records that disclose with reasonable accuracy at any particular time the financial position of the business;
- make available to us, as and when required, all the company's accounting records and all other relevant records and related information (including minutes of management and shareholders' meetings);
- Identify to us capital introduced and all financial transactions undertaken by the directors;
- maintain records of all receipts and payments of cash;
- maintain records of invoices issued and received;
- ensure all bank transactions are included within the financial records; and
- confirm details of the following at the year end: stocks and work in progress; fixed assets; amounts owing to suppliers; amounts owing by customers; and accruals and prepayments.

As part of our normal procedures we may request you to provide written confirmation of any oral information and explanations given to us during the course of our work.

## Corporation Tax

### Recurring compliance work

Where engaged to do so, we will prepare the company's corporate tax self-assessment (CTSA) return. After obtaining written evidence of the approval of the nominated director, we will submit it to HMRC.

We will prepare the corporation tax computation and supporting schedules required for preparation of the company tax return from accounts, information and explanations provided to us on your behalf.

We will tell you how much tax the company should pay and when. Where instructed by you, we will advise on the interest and penalty implications if corporation tax is paid late. Where taxable losses are involved, we will advise you of the options available and, where appropriate, we will initiate repayment claims.

We will inform you if instalment payments of corporation tax are due for an accounting period and the dates they are payable. We will calculate the quarterly instalments that should be made on the basis of information supplied by you by the date agreed.

We will advise you as to possible tax return-related claims and elections arising from information supplied by you. Where instructed by you, we will make such claims and elections in the form and manner required by HMRC.

Ad hoc queries by way of telephone and email enquiries are not routine compliance and may result in additional fees. As indicated below, where appropriate we will aim to discuss and agree additional fees, but it may not always be possible to agree these in advance and we reserve the right to charge you an additional fee for these queries.

For the purpose of the delivery of the company's tax return, we will use commercial software to apply XBRL tags to items in the accounts as we consider appropriate for the purposes of submission, for tax purposes, of the accounts in iXBRL via the relevant official gateway.

We will, to the extent we consider necessary, manually amend or apply tags where the software has not applied automatic tagging or where we consider any automatic tagging to have been inappropriate.

### Ad hoc and advisory work

Where the nominated director has instructed us to do so we will provide such other taxation ad hoc and advisory services as may be agreed between us from time to time. These services will be subject to the terms of this engagement letter and standard terms and conditions of business unless we decide to issue a separate engagement letter. An additional fee may be charged for these services. Examples of such work include:

- advising on ad hoc transactions and queries (including telephone conversations), preparing and submitting information in the relevant format to HMRC and calculating any related tax liabilities;
- advising on double tax relief if appropriate;

- advising you when corporation tax is due on loans by the company to directors or shareholders or their associates, and calculating the payments due or the amount repayable when the loans are repaid;
- advising you on and preparing enhanced expenditure claims and reliefs, including those relating to research and development;
- advising you on and preparing detailed capital allowance claims relating to buildings and renovation, including the analysis of expenditure;
- dealing with any enquiry opened into the company's tax return or tax affairs by HMRC; and
- preparing any amended returns that may be required and corresponding with HMRC as necessary;

### Changes in the law or public policy and practice

We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law or public policy and practice or your circumstances.

We will accept no liability for losses arising from changes in the law or public policy and practice that are first published after the date on which the advice is given.

### Your responsibilities

You are legally responsible for:

- ensuring that the CTSA return (including XBRL tags and iXBRL file) is correct and complete;
- filing any returns by the due date; and
- paying tax on time.

Failure to do this may lead to penalties and/or interest.

Legal responsibility for approval of the return cannot be delegated to others. The nominated director agrees to check that the forms that we have prepared for you are complete before they approve them.

To enable us to carry out our work, you agree:

- to provide us with approved accounts for the company where we do not prepare these on your behalf
- that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions
- to provide full information necessary for dealing with the company's affairs; we will rely on the information and documents being true, correct and complete and will not audit the information or those documents
- to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with the company's affairs
- to provide information on matters affecting the company's tax liability for the accounting period in respect of which instalments are due at least four weeks before the due date of each instalment. This information should include details of trading profits and other taxable activities up to the date the information is provided, together with estimates to the end of the accounting period

- to provide us with information on advances or loans made to directors, shareholders or their associates during an accounting period, and any repayments made or write-offs authorised at the latest within three months of the end of the relevant accounting period.

You will keep us informed of material changes in circumstances that could affect the tax liabilities of the company. If the directors are unsure whether the change is material or not, please let us know so that we can assess its significance.

Where you wish us to deal with HMRC communications you will forward to us all communications received from HMRC such as HMRC statements of account, copies of notices of assessment and letters. These must be provided in time to enable us to deal with them as may be necessary within the statutory time limits. It is essential that you let us have copies of any correspondence received because HMRC is not obliged to send us copies of all communications issued to you.

The work carried out within this engagement will be in respect of the company's tax affairs.

### Group and consortia

The following terms are relevant for a group and its subsidiaries when we have been instructed to act in all respects by the parent company's directors.

In relation to groups and consortia of which your company is a member, and in respect of which you have instructed us to act, we will provide the following additional services.

If instructed, we will advise on the tax treatment of intra-group payments of dividends, interest and royalties and similar liabilities.

If instructed, in respect of dividends, interest, and royalties received, we will advise on the applicability of the relevant double-tax treaty to the withholding tax rate, and assist with obtaining a UK certificate of tax residence. For dividends, if relevant, we will make any necessary election to tax the dividends in the UK in order to obtain treaty relief.

We will deal with all communications relating to intragroup payments addressed to us by HMRC.

If a parent company is required to prepare both individual and group accounts and it is required to file both of these as part of its online company tax return, you accept full responsibility for the existence, accuracy, consistency and completeness of XBRL tagging within the accounts and to file the individual accounts as an iXBRL document with the relevant XBRL tags embedded.

If instructed, in respect of claims for group and consortium relief:

- we will advise as required on claims for group and consortium relief and the interaction with other reliefs;
- we will prepare and submit to HMRC appropriate claims;
- we will adjust corporation tax computations and returns to reflect the surrender and receipt of group and consortium reliefs;
- we will prepare and submit to HMRC necessary documentation regarding the

- allocation of losses via group relief and the annual loss allowance;
- we will advise on arrangements for the payment of tax and the surrender and set-off of tax refunds within the group; and
- we will advise on claiming eligible unrelieved foreign tax (EUFT) or the surrender of any amount of EUFT.

If instructed, in respect of intragroup payments of interest:

- we will advise on withholding tax obligations;
- for crossborder payments we will prepare and submit to HMRC applications to account for no or a reduced amount of withholding tax under the EU Interest and Royalty directive and double-tax treaties, as applicable;
- where withholding tax is due, we will complete form CT61 and advise on payment; and
- we will adjust corporation tax computations and returns to reflect interest payments and associated withholding tax, if any.

If instructed, in respect of intragroup payments of royalties and similar liabilities:

- we will advise on withholding tax obligations;
- where withholding tax is due, we will complete form CT61 and advise on payment;
- we will adjust corporation tax computations and returns to reflect royalty and similar payments and associated withholding tax, if any, and make such additional disclosures in form CT600-H as are appropriate.

### **Your responsibilities**

Where applicable, we will need to be authorised to contact other group member accountants to ensure that all necessary information and explanations are available. It is the responsibility of the parent company directors to ensure that such information and explanations are correct and complete.

## **Other taxes**

In addition to the below, please see the Schedules of Service for VAT and Payroll if relevant to your business.

If you provide digital services to consumers in the European Union you are responsible for either registering for VAT in that member state or registering for VAT Mini One Stop Shop (MOSS).

You are responsible for monitoring your monthly turnover to establish whether you are liable to register for VAT. If you do not understand what you need to do, please ask us. If you exceed the VAT registration threshold, and wish us to assist you in notifying HMRC of your liability to be VAT registered, we will be pleased to assist you in the VAT registration process. You should notify us of your instructions to assist in your VAT registration in good time to enable a VAT registration form to be submitted within the time limit of one month following the month in which you exceed the VAT registration threshold in force at that time. We will not be responsible if you fail to notify us in time and incur a late registration penalty as a result.

You are responsible for employment taxes, pensions (including auto-enrolment) and the assessment of the tax status of your workers. If you do not understand what you need to consider or action you need to take, please ask us. We will not be in a position to assist you in complying with your responsibilities if we are not engaged to provide such a service. We are not responsible for any penalty that is incurred.

**Our services as detailed above are subject to the limitations on our liability set out in the engagement letter and in paragraph 18 of our standard terms and conditions of business. These are important provisions that you should read and consider carefully.**