

# Terms of Service Provision

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## 1. Accounts Preparation – Limited Companies

1.1 The company's directors are required to comply with their duties and responsibilities set out in the Companies Act 2006. As part of your duties as Director(s), you are responsible for the maintenance of accurate books and records including all receipts and payments of cash and invoices issued and received.

1.2 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.

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

1.4 If an audit of the accounts is required, you will need to notify us in writing. Should our work indicate that the company is not entitled to exemption from an audit of the accounts, we will inform you. If we decide to undertake an audit assignment at your request, a separate LOE will be required.

1.5 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.

1.6 The intended users of the report are the directors and other members of the company we act for. The report will be addressed to the directors.

1.7 Our report will be based on information gained from the directors; therefore, we accept no responsibility for any losses arising out of implementing our report. Further, our report requires us to rely substantially upon your representations. For that reason, we can accept no responsibility for any losses for issues not covered in our report.

1.8 We have a professional duty to compile accounts that conform to generally accepted accounting principles. Where we identify that the accounts do not conform to accepted accounting principles, we will inform you and suggest amendments be put through the accounts before being published. 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.

1.9 Once we have issued our report we have no further direct 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 annual general meeting that may affect the accounts.

1.10 Where we have agreed a fixed fee in relation to the preparation of the accounts, we will have done so on the following assumptions to be prepared or undertaken as of the year end date, unless otherwise agreed in writing.

- All requested books and records have been supplied promptly upon our request(s) and we have not been required to request the same information on multiple occasions
- Where available, and preferably, electronic versions of the above have been provided, otherwise in paper form
- All bank accounts (including credit card statements and petty cash accounts) are fully reconciled
- Income and expenses are correctly allocated to the correct ledger
- Individual sales ledger balances are fully reconciled
- The purchase ledger is fully reconciled
- A loan schedule has been prepared
- Itemisation and analysis has been prepared of all drawings including expenses paid by the company to you and on your behalf
- A hire purchase schedule has been prepared
- Stock and work in progress schedules have been prepared
- A debtor list and schedule has been provided
- A creditor list and schedule has been provided
- A fixed asset history and schedule has been provided
- VAT control accounts have been provided
- Details of prepayments, accruals and depreciation amounts have been provided

## 2. Accounts Preparation – Limited Liability Partnerships (LLPs)

2.1 The LLP is required to comply with the Limited Liability Partnerships Act 2000. As part of the partners' duties, you are responsible for the maintenance of

accurate books and records including all receipts and payments of cash and invoices issued and received.

2.2 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.

2.3 Our function as Accountants is to act as agent on your behalf in preparing the accounts of your LLP. This may either involve writing up your books and records from the information and vouchers provided and preparing draft accounts for your approval or completing the writing up of your books and records in so far as they are incomplete when presented to us, and preparing from the records the draft accounts for your approval.

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

2.5 The intended users of the report will be the partners. The report will be addressed to the Partners.

2.6 Our report will be based on information gained from the partners; therefore, we accept no responsibility for any losses arising out of implementing our report. Further, our report requires us to rely substantially upon your representations. For that reason, we can accept no responsibility for any losses for issues not covered in our report.

2.7 We have a professional duty to compile accounts that conform to generally accepted accounting principles. Where we identify that the accounts do not conform to accepted accounting principles, we will inform you and suggest amendments be put through the accounts before being published. 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.

2.8 Where we have agreed a fixed fee in relation to the preparation of the accounts, we will have done so on the following assumptions to be prepared or undertaken as of the year end date, unless otherwise agreed in writing.

- All requested books and records have been supplied promptly upon our request(s) and we have not been required to request the same information on multiple occasions
- Where available, and preferably, electronic versions of the above have been provided, otherwise in paper form
- All bank accounts (including credit card statements and petty cash accounts) are fully reconciled
- Income and expenses are correctly allocated to the correct ledger
- Individual sales ledger balances are fully reconciled
- The purchase ledger is fully reconciled
- A loan schedule has been prepared
- Itemisation and analysis has been prepared of all drawings including expenses paid by the company to you and on your behalf

- A hire purchase schedule has been prepared
- Stock and work in progress schedules have been prepared
- A debtor list and schedule has been provided
- A creditor list and schedule has been provided
- A fixed asset history and schedule has been provided
- VAT control accounts have been provided
- Details of prepayments, accruals and depreciation amounts have been provided

### **3 Accounts Preparation – Partnerships**

3.1 The Partnership is required to comply with the Partnership Act 1890 and the Partnership agreement. As part of the partners' duties, you are responsible for the maintenance of accurate books and records including all receipts and payments of cash and invoices issued and received.

3.2 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.

3.3 Our function as Accountants is to act as agent on your behalf in preparing the accounts of your Partnership. This may either involve writing up your books and records from the information and vouchers provided and preparing draft accounts for your approval or completing the writing up of your books and records in so far as they are incomplete when presented to us, and preparing from the records the draft accounts for your approval.

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

3.5 The intended users of the report will be the Partners. The report will be addressed to the Partners.

3.6 Our report will be based on information gained from the Partners; therefore, we accept no responsibility for any losses arising out of implementing our report. Further, our report requires us to rely substantially upon your representations. For that reason, we can accept no responsibility for any losses for issues not covered in our report.

3.7 We have a professional duty to compile accounts that conform to generally accepted accounting principles. Where we identify that the accounts do not conform to accepted accounting principles, we will inform you and suggest amendments be put through the accounts before being published. 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.

3.8 Where we have agreed a fixed fee in relation to the preparation of the accounts, we will have done so on the following assumptions to be prepared or undertaken as of the year end date, unless otherwise agreed in writing.

- All requested books and records have been supplied promptly upon our request(s) and we have not been required to request the same information on multiple occasions
- Where available, and preferably, electronic versions of the above have been provided, otherwise in paper form
- All bank accounts (including credit card statements and petty cash accounts) are fully reconciled
- Income and expenses are correctly allocated to the correct ledger
- Individual sales ledger balances are fully reconciled
- The purchase ledger is fully reconciled
- A loan schedule has been prepared
- Itemisation and analysis has been prepared of all drawings including expenses paid by the company to you and on your behalf
- A hire purchase schedule has been prepared
- Stock and work in progress schedules have been prepared
- A debtor list and schedule has been provided
- A creditor list and schedule has been provided
- A fixed asset history and schedule has been provided
- VAT control accounts have been provided
- Details of prepayments, accruals and depreciation amounts have been provided

#### **4 Accounts Preparation - Sole Traders**

4.1 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.

4.2 Our function as Accountants is to act as agent on your behalf in preparing the accounts of your business. This may either involve writing up your books and records from the information and vouchers provided and preparing draft accounts for your approval or completing the writing up of your books and records in so far as they are incomplete when presented to us, and preparing from the records the draft accounts for your approval.

4.3 We will not be carrying out any audit work as part of our assignment and accordingly will not verify the accuracy of 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 Auditing Standards so that we could give our opinion on the truth and fairness of the financial statements. 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.

4.4 Our report will be based on information gained from you; therefore, we accept no responsibility for any losses arising out of implementing our report. Further, our report requires us to rely substantially upon your representations. For that reason, we can accept no responsibility for any losses for issues not covered in our report.

4.5 We have a professional duty to compile accounts that conform to generally accepted accounting principles. Where we identify that the accounts do not conform to accepted accounting principles, we will inform you and suggest amendments be put through the accounts before being published. 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.

4.6 Where we have agreed a fixed fee in relation to the preparation of the accounts, we will have done so on the following assumptions to be prepared or undertaken as of the year end date, unless otherwise agreed in writing.

- All requested books and records have been supplied promptly upon our request(s) and we have not been required to request the same information on multiple occasions
- Where available, and preferably, electronic versions of the above have been provided, otherwise in paper form
- All bank accounts (including credit card statements and petty cash accounts) are fully reconciled
- Income and expenses are correctly allocated to the correct ledger
- Individual sales ledger balances are fully reconciled
- The purchase ledger is fully reconciled
- A loan schedule has been prepared
- Itemisation and analysis has been prepared of all drawings including expenses paid by the company to you and on your behalf
- A hire purchase schedule has been prepared
- Stock and work in progress schedules have been prepared
- A debtor list and schedule has been provided
- A creditor list and schedule has been provided
- A fixed asset history and schedule has been provided
- VAT control accounts have been provided
- Details of prepayments, accruals and depreciation amounts have been provided

#### **5 Statutory Audit**

5.1 Our examination will be carried out with the objective of expressing an opinion on the financial statements for the financial year end for which we have been instructed.

5.2 We shall proceed on the basis of the instructions we have received from you and will rely on you to tell us as soon as possible if anything occurs that renders any information previously given to us as incorrect or inaccurate. We shall not be responsible for any failure to advise or comment on any matter which falls outside the specific scope of your instructions.

5.3 The advice that we give can only be as good as the information upon which it is based. Insofar as that information is provided by you, or by third parties with your permission, your responsibility arises as soon as possible if any circumstances or facts alter as any alteration may have a significant impact on the advice given. Therefore, if the company's circumstances change or your needs alter, please advise us of the alteration as soon as possible in writing.

5.4 As part of our normal examination procedures, we may request you to provide formal written representations concerning certain information and explanations we have received from you during the course of our work.

5.5 As the director, you are responsible for ensuring that the company maintains accurate books and records, which disclose with reasonable accuracy at any time the financial position of the company, and for preparing accounts (financial statements) for each financial year

that give a true and fair view of the state of affairs of the company's affairs and of the profit or loss for that year. In preparing those accounts you must:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent; and
- (c) prepare the accounts on the going concern basis unless it is not appropriate to presume that the company will continue in business.

5.6 It is your responsibility to safeguard the assets of the company and for taking reasonable steps for the prevention of and detection of fraud and other irregularities with an appropriate system of internal controls.

5.7 You are also responsible for making available to us, as and when required, all of the company's accounting records and all other relevant records and related information, including minutes of all management and members meetings. We are entitled to request from the company other information and explanations as we think necessary for the performance of our duties as auditors.

5.8 The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the management. We will plan our examination so that we have a reasonable expectation of detecting material misstatements in the accounts resulting from irregularities, fraud or non-compliance with law or regulations, but our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance as may exist.

5.9 In order to assist us with a review of your accounts, which constitutes part of our audit, we will request sight of any documents or statements that will be issued with the accounts.

5.10 As part of our examination process, we will request from management written confirmation concerning representations made to us in connection with the assignment.

5.11 We will conduct our audit in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

5.12 Audits are subject to inherent limitations as they are conducted using sample-based testing methods and are reliant on the accuracy and effectiveness of the accounting and internal control systems; therefore, there is an unavoidable risk that some material misstatements may remain undiscovered.

5.13 Our examination procedures include testing of transactions and of the existence, ownership and valuation of assets and liabilities as we consider necessary. We shall obtain an understanding of the accounting and internal control systems in order to assess their adequacy as a basis for the preparation of the accounts and to establish whether proper accounting records have been maintained by the company. We will need to obtain sufficient relevant and reliable evidence to enable us to draw reasonable conclusions there from.

5.14 As independent examiners, we will report to you whether in our opinion the accounts of the company that we have examined give a true and fair view of the state of the company's affairs, and of the surplus or deficit for

the year. In arriving at our opinion we are required to consider the following matters, and to report on any in respect of which we are not satisfied:

- (a) Whether proper accounting records have been kept by the company;
- (b) Whether the company's balance sheet and income and expenditure are in agreement with the accounting records and returns;
- (c) Whether we have obtained all the information and explanations which we think necessary for the purpose of our work; and
- (d) Whether the information in the members' report is consistent with that in the accounts.

5.15 There are certain other matters which, according to the circumstances, may need to be dealt with in our report. For example, where the accounts do not give details of directors' remuneration or of their transactions with the company, the Companies Act 2006 requires us to disclose such matters in our report.

5.16 We have a professional duty to report if the accounts do not comply in any material respect with Applicable Accounting Standards, unless in our opinion the non-compliance is justified in the circumstances. In determining whether or not the departure is justified we consider whether:

- (a) the departure is required in order for the accounts to give a true and fair view; and
- (b) whether adequate disclosure has been made concerning the departure.

5.17 Our professional responsibilities also include:

- (a) Stating in our report a description of the directors' responsibilities for the accounts, where the accounts or accompanying information do not include such a description;
- (b) Considering whether other information and documents contained in accounts is consistent with those accounts; and
- (c) Reporting to you on a timely basis in respect of any issues, such as material weaknesses in your accounting system, which we feel need to be brought to your attention.

## **6 Audit & Independent Examination for Charitable Entities**

6.1 Our examination will be carried out with the objective of expressing an opinion on the financial statements for the financial year end for which we have been instructed.

6.2 We shall proceed on the basis of the instructions we have received from you and will rely on you to tell us as soon as possible if anything occurs which renders any information previously given to us as incorrect or inaccurate. We shall not be responsible for any failure to advise or comment on any matter which falls outside the specific scope of your instructions.

6.3 We will conduct our audit in accordance with the requirements of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales issued in March 2005, Charities Act 2006 and the Companies Act 2006. These standards require us to examine the accounts and to state on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43 (7)(b) of the Act, whether particular matters have come to our attention.

6.4 Audits and independent examinations are subject to inherent limitations as they are conducted using sample-based testing methods and are reliant on the accuracy and effectiveness of the accounting and internal control systems; therefore, there is an unavoidable risk that some material misstatements may remain undiscovered.

6.5 Our audit and examination procedures include testing of transactions and of the existence, ownership and valuation of assets and liabilities as we consider necessary. We shall obtain an understanding of the accounting and internal control systems in order to assess their adequacy as a basis for the preparation of the accounts and to establish whether proper accounting records have been maintained by the charity. We will need to obtain sufficient relevant and reliable evidence to enable us to draw reasonable conclusions there from.

6.6 The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the management. We will plan our examination so that we have a reasonable expectation of detecting material misstatements in the accounts resulting from irregularities, fraud or non-compliance with law or regulations, but our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance as may exist.

6.7 In order to assist us with a review of your accounts, which constitutes part of our independent examination, we will request sight of any documents or statements which will be issued with the accounts.

6.8 As part of our examination process, we will request from management written confirmation concerning representations made to us in connection with the assignment.

6.9 The advice that we give can only be as good as the information upon which it is based. Insofar as that information is provided by you, or by third parties with your permission, your responsibility arises as soon as possible if any circumstances or facts alter as any alteration may have a significant impact on the advice we give. If the circumstances change therefore or your needs alter, advise us of the alteration as soon as possible in writing.

6.10 As part of our normal examination procedures, we may request you to provide formal written representations concerning certain information and explanations we have received from you during the course of our work.

6.11 As trustees of the Charity, you are responsible for ensuring that the charity maintains accurate books and records and for preparing accounts (financial statements) for each financial year which give a true and fair view of the state of affairs of the charity and of its surplus or deficit for that period and where applicable have been prepared in accordance with the Companies Act 2006. In preparing those accounts you must:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent; and
- (c) prepare the accounts on the going concern basis unless it is not appropriate to presume that the charitable company will continue in business.

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

6.13 You are also responsible for making available to us, as and when required, all the charity's accounting records and all other relevant records and related information, including minutes of all management and trustees meetings. We are entitled to require from the charity's officers such other information and explanations as we think necessary for the performance of our duties as independent examiners.

6.14 The intended users of the report are the charity's trustees. The report will be addressed to the trustees.

6.15 As independent examiners/auditors, we will report to you whether in our opinion the accounts of the company that we have examined give a true and fair view of the state of the charity's affairs, and of the surplus or deficit for the year. In arriving at our opinion we are required to consider the following matters, and to report on any in respect of which we are not satisfied:

- (a) Whether proper accounting records have been kept by the charity;
- (b) Whether the charity's balance sheet and income and expenditure are in agreement with the accounting records and returns;
- (c) Whether we have obtained all the information and explanations which we think necessary for the purpose of our work; and
- (d) Whether the information in the trustees' report is consistent with that in the accounts.

6.16 There are certain other matters which, according to the circumstances, may need to be dealt with in our report. For example, where the accounts do not give details of directors' remuneration or of their transactions with the company, the Companies Act 2006 requires us to disclose such matters in our report.

6.17 We have a professional duty to report if the accounts do not comply in any material respect with Applicable Accounting Standards, unless in our opinion the non-compliance is justified in the circumstances. In determining whether or not the departure is justified we consider whether:

- (a) The departure is required in order for the accounts to give a true and fair view; and
- (b) Whether adequate disclosure has been made concerning the departure.

6.18 Our professional responsibilities also include:

- (a) Stating in our report a description of the trustees' responsibilities for the accounts, where the accounts or accompanying information do not include such a description; and
- (b) Considering whether other information and documents contained in accounts is consistent with those accounts; and
- (c) Reporting to you on a timely basis in respect of any issues, such as material weaknesses in your accounting system, which we feel need to be brought to your attention.

## 7 Audit & Independent Examination for Self Regulatory Entities

7.1 Our examination will be carried out with the objective of expressing an opinion on the financial statements for the financial year end for which we have been instructed.

7.2 We shall proceed on the basis of the instructions we have received from you and will rely on you to tell us as soon as possible if anything occurs that renders any information previously given to us as incorrect or inaccurate. We shall not be responsible for any failure to advise or comment on any matter which falls outside the specific scope of your instructions.

7.3 The advice that we give can only be as good as the information upon which it is based. Insofar as that information is provided by you, or by third parties with your permission, your responsibility arises as soon as possible if any circumstances or facts alter as any alteration may have a significant impact on the advice given. Therefore, if the company's circumstances change or your needs alter, please advise us of the alteration as soon as possible in writing.

7.4 As part of our normal examination procedures, we may request you to provide formal written representations concerning certain information and explanations we have received from you during the course of our work.

7.5 You are responsible for ensuring that the company maintains accurate books and records and for preparing accounts (financial statements) for each financial year that give a true and fair view of the state of affairs of the company's affairs and of the profit or loss for that year. In preparing those accounts you must:

- (b) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent; and
- (c) prepare the accounts on the going concern basis unless it is not appropriate to presume that the company will continue in business.

7.6 You are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Friendly and Industrial and Provident Societies Act 1968 and the Industrial and Provident Societies Act 1965.

7.7 It is your responsibility to safeguard the assets of the company and for taking reasonable steps for the prevention of and detection of fraud and other irregularities with an appropriate system of internal controls.

7.8 You are also responsible for making available to us, as and when required, all of the company's accounting records and all other relevant records and related information, including minutes of all management and members meetings. We are entitled to request from the company other information and explanations as we think necessary for the performance of our duties.

7.9 The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the management. We will plan our

examination so that we have a reasonable expectation of detecting material misstatements in the accounts resulting from irregularities, fraud or non-compliance with law or regulations, but our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance as may exist.

7.10 In order to assist us with a review of your accounts, which constitutes part of our audit/independent examination, we will request sight of any documents or statements that will be issued with the accounts.

7.11 As part of our examination process, we will request from management written confirmation concerning representations made to us in connection with the assignment.

7.12 We will conduct our duties in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

7.13 Audits and independent examinations are subject to inherent limitations as they are conducted using sample-based testing methods and are reliant on the accuracy and effectiveness of the accounting and internal control systems; therefore, there is an unavoidable risk that some material misstatements may remain undiscovered.

7.14 Our examination procedures include testing of transactions and of the existence, ownership and valuation of assets and liabilities as we consider necessary. We shall obtain an understanding of the accounting and internal control systems in order to assess their adequacy as a basis for the preparation of the accounts and to establish whether proper accounting records have been maintained by the company. We will need to obtain sufficient relevant and reliable evidence to enable us to draw reasonable conclusions there from.

7.15 We will report to you whether in our opinion the accounts of the company that we have examined give a true and fair view of the state of the company's affairs, and of the surplus or deficit for the year. In arriving at our opinion we are required to consider the following matters, and to report on any in respect of which we are not satisfied:

- (a) Whether proper accounting records have been kept by the company;
- (b) Whether the company's balance sheet and income and expenditure are in agreement with the accounting records and returns;
- (c) Whether we have obtained all the information and explanations which we think necessary for the purpose of our work; and
- (d) Whether the information in the members' report is consistent with that in the accounts.

7.16 There are certain other matters which, according to the circumstances, may need to be dealt with in our report. For example, where the accounts do not give details of directors' remuneration or of their transactions with the company, the Companies Act 2006 requires us to disclose such matters in our report.

7.17 We have a professional duty to report if the accounts do not comply in any material respect with Applicable Accounting Standards, unless in our opinion the non-compliance is justified in the circumstances. In determining whether or not the departure is justified we consider whether:

- (a) the departure is required in order for the accounts to give a true and fair view; and
- (b) whether adequate disclosure has been made concerning the departure.

7.18 Our professional responsibilities also include:

- (a) Stating in our report a description of the directors' responsibilities for the accounts, where the accounts or accompanying information do not include such a description; and
- (b) Considering whether other information and documents contained in accounts is consistent with those accounts; and
- (c) Reporting to you on a timely basis in respect of any issues, such as material weaknesses in your accounting system, which we feel need to be brought to your attention.

## 8 Partnership Tax Returns

8.1 The work carried out within this engagement will be for all taxation matters of a routine nature in respect of the Partnership's tax affairs arising out of the Partnership tax return. The terms of our engagement for the individual partners are set out in Section 7 and are considered as a separate engagement.

8.2 We will prepare the income tax and capital gains tax computations based on the Partnership accounts for each period of year ending in the Partnership return period, from the accounting records and other information and explanations provided by you. You are responsible for ensuring that the accounting records truly reflect the nature of transactions.

8.3 We will prepare the Partnership's annual return, including the Partnership statement of total income, gains, and charges of the Partnership for each period of year ending in the return period.

8.4 We will send you a completed Partnership return for your review. The Partnership is responsible for proper recording of transactions in the accounts, safeguarding assets, and substantial accuracy of the financial records. As the Partnership has final responsibility for the Partnership return, the Partnership should review it carefully before you authorise it and distribute tax information to the partners or members.

8.5 Once you have agreed the Partnership return, we will ask you to authorise us to file it electronically/submit on your behalf to HM Revenue & Customs.

8.6 We will send you the income tax computations, capital gains tax computations and supporting schedules in duplicate for you to approve. We will then submit it to HM Revenue & Customs. You authorise us to file the return electronically.

8.7 We will forward to the Partnership details of each Partner's respective share, based on the Partnership Act 1890 of the Partnership's total income, gains, losses, tax credits, overlap relief in respect of partners joining and leaving, and charges so that they are able to file their personal self-assessment tax returns within the relevant time period.

8.8 We will deal with HM Revenue & Customs regarding any minor amendments required to the Partnership return or where no investigation is to be carried out and prepare any amended returns, which may be required. We reserve the right to charge

additional fees if the work we undertake is not of a routine nature.

8.9 We will advise as to possible claims, appeals under the Taxes Management Act 1970 s 50 and elections arising from the Partnership return and from information supplied by you. Where instructed by the Partnership, we will make such claims and elections in the form and manner required by HM Revenue & Customs.

8.10 We will deal with all communications relating to the Partnership return addressed to us by HM Revenue & Customs or passed to us by you. However, if HM Revenue & Customs choose the Partnership tax return for enquiry, this work will be subject to a separate assignment and engagement letter, in which case we will seek further instructions from you.

8.11 In carrying out the above work, we must stress that we shall be dealing with your tax affairs on your behalf as your agent, and on the basis that you make full disclosure to us of all relevant information. There is no requirement for us to, and therefore we shall not, perform any audit or independent verification work on any information provided by you to us for the purposes of preparing the tax return and forwarding it to HM Revenue & Customs.

8.12 Because rules and regulations frequently change, you must ask us to confirm any advice already given if a transaction is delayed or a similar transaction is to be undertaken.

8.13 The Partners are legally responsible for making correct returns by the due date.

8.14 All returns are made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions.

8.15 Full information is necessary for dealing with the Partnership's affairs: we will rely on the information and documents being true, correct and complete and will not audit the information or those documents.

8.16 You agree that we can approach such third parties as may be appropriate for information that we consider necessary to deal with the Partnership's affairs.

8.17 You must provide us with information in sufficient time for the Partnership tax returns to be completed and submitted.

8.18 You agree to forward to us upon receipt copies of all HM Revenue & Customs statements of account, notices of assessment, letters and other communications received from HM Revenue & Customs to enable us to deal with them as may be necessary within the statutory time limits.

8.19 You are required to keep us informed about significant changes in the Partnership's circumstances if they are likely to affect the tax position.

## 9 Personal Tax Returns

9.1 We will prepare the income tax computations based on the accounts of your business from the accounting records and other information and explanations provided by you. We will not carry out an audit of those records.

9.2 If agreed, we will also prepare the income and expenditure account of your business based thereon

from your accounting records and other information and explanations provided by you. If additional bookkeeping is required to prepare the income and expenditure accounts, we will make an assessment of records provided and provide a quotation. Unless otherwise agreed, this fee will be in addition to that quoted to prepare your personal tax return.

9.3 We will prepare your personal tax return together with such supporting schedules as are appropriate and we will check HM Revenue & Customs' calculation of your self-assessment of tax and Class 4 national insurance contributions.

9.4 We will send you, electronically or by mail, your tax return, business accounts, tax computations and supporting schedules for you to approve and sign. Once you have signed and returned the documents, we will then submit the return and computations to HM Revenue & Customs. By signing and returning the documents, you are authorising us to file the return electronically.

9.5 We will tell you how much tax and national insurance contributions you should pay and when. If appropriate, we will initiate repayment claims when tax and national insurance contributions have been overpaid.

9.6 We will deal with all communications relating to your return addressed to us by HM Revenue & Customs or passed to us by you. However, if HM Revenue & Customs choose your return for enquiry this work may need to be the subject of a separate assignment in which case we will seek further instruction from you. We will also require further instruction in the case of non-routine or time-consuming enquiries relating to your personal tax return that are outside of normal compliance. In such circumstances, we will inform you of our quotation for such additional work before it is commenced.

9.7 We will check PAYE notices of coding where such notices are forwarded to us.

9.8 Under the self-assessment regime there are a number of key dates by which returns and payments must be made. Failure to meet deadlines may result in automatic penalties, surcharges and/or interest. You are legally responsible for making correct returns and for payment of tax on time.

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

- (a) to make a full disclosure to us of all sources of income, charges, allowances and capital transactions and to provide full information necessary for dealing with your affairs: we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- (b) that we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs;
- (c) to respond without delay and comprehensively, quickly and fully to our requests for information and to other communications from us;
- (d) to provide us with information in sufficient time for your tax return to be completed and submitted by 31<sup>st</sup> January following the end of the tax year. In order to guarantee to do this, we need to receive all relevant information by 1<sup>st</sup> September of the year following the end of the tax year;
- (e) to forward to us on receipt copies of all HM Revenue & Customs statements of account, PAYE coding notices, notices of assessment, letters and other communications received from

HM Revenue & Customs to enable us to deal with them as may be necessary within the statutory time limits; and

- (f) to keep us informed about significant changes in your circumstances if they are likely to affect your tax position.
- (g) because tax rules change frequently you must ask us to review any advice already given if a transaction is delayed, or if an apparently similar transaction is to be undertaken.

9.10 We are able to deal with HM Revenue & Customs regarding any amendments required to your return and prepare any amended returns that may be required. This is subject to your instruction and will be at an additional fee.

9.11 We are able to advise as to possible claims and elections arising from the tax return and from information supplied by you. Where instructed by you, we will make such claims and elections in the form and manner required by HM Revenue & Customs. This is subject to your instruction and will be at an additional fee.

## 10 Rental Accounts

10.1 We will prepare your rental income and expenditure account from your summarised rental accounting records and other information and explanations provided by you. We will not carry out an audit of those records, unless specifically requested by you, for which an additional fee will normally be applicable.

10.2 To enable us to carry out our work you agree to make a full disclosure to us of all sources of rental income, charges, allowances and capital transactions and to provide full information necessary for dealing with your affairs: we will rely on the information and documents being true, correct and complete and will not audit the information or those documents.

## 11 Corporation Tax CT600 Return

11.1 We will prepare from the accounts and other information and explanations provided by you the company's corporation tax return and computations, together with all supporting schedules and, where necessary, amended returns.

11.2 We will send you the tax return, either electronically or in paper format, and supporting schedules in duplicate for you to approve and sign. We will then submit it, with the accounts and computations, to HM Revenue & Customs. You authorise us to file the return electronically.

11.3 We will advise you of the amounts of corporation tax to be paid and the dates by which the company should make the payments. Where appropriate we will initiate repayment claims when tax has been overpaid.

11.4 If you wish, we will advise you whether quarterly corporation tax payments ought to be made, but in order to do this you will need to provide us with appropriate management information.

11.5 We will advise as to possible claims and elections arising from the tax return and from information supplied by you. Where instructed by you, we will make such claims and elections in the form and manner required by HM Revenue & Customs.



11.6 We will deal with all communications relating to the company's tax return addressed to us by HM Revenue & Customs or passed to us by the company. However, if HM Revenue & Customs choose your return for enquiry this work may need to be the subject of a separate assignment in which case we will seek further instructions from you.

11.7 We will prepare/help you in preparing the tax provisions and disclosures to be included in the company's statutory accounts.

11.8 The company is legally responsible for making correct returns by the due date and for payment of tax on time. Failure to meet the deadlines may result in automatic penalties and/or interest.

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

- (a) That all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
- (b) 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;
- (c) That we can approach such third parties as may be appropriate for information that we consider necessary to deal with the company's affairs;
- (d) To provide us with information in sufficient time for the company's tax returns to be completed and submitted by the due date following the end of the accounting period;
- (e) To forward to us on receipt copies of notices of assessment, letters and other communications received from HM Revenue & Customs to enable us to deal with them as may be necessary within the statutory time limits; and
- (f) To keep us informed about significant transactions or changes in circumstances.

## 12 Annual Returns

12.1 We will prepare from the information and explanations provided by you, your returns together with any supporting schedules. We will not audit or otherwise check the underlying records.

12.2 It is the company's legal responsibility to ensure that the correct Return is submitted by the due date.

12.3 In order to submit the Annual Return, you should inform us as soon as possible when any of the following occurrences change, or make the information available to us prior to submitting the Return if it is the first year that we have submitted it on your behalf:

- the name of the company
- its registered number
- the type of company for example, private or public
- the registered office address of the company
- the address where the company keeps certain company registers if not at the registered office
- the principal business activities of the company
- the name and address of the company secretary, where applicable
- the name, usual residential address, date of birth, nationality and business occupation of all the company's directors
- if you wish to change the date that the Annual Return is made to

- issued share capital
- Details of shareholders.

12.4 Unless otherwise confirmed in writing, our fee for submission of the Annual Return does not include the filing fee, which is currently £15.00 for online filing and £30.00 for paper filing. In line with our environmental policy, we will always file Annual Returns online wherever possible.

## 13 Company Secretarial Duties

13.1 We will fulfil the function otherwise carried out by a Company Secretary by completing and filing the forms in which you have instructed us. These include, but are not limited to, change of Directorship, change of registered office address and allotment of shares.

13.2 If requested, we will maintain the statutory records and minutes on behalf of the company secretary from the information supplied.

13.3 With regard to the registered office facility we will usually forward any documents addressed to the registered office within 5 working days to your place of business or director's last notified address.

13.4 It is the responsibility of the Company to ensure that the appropriate forms have been filed.

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

- (a) To provide full information necessary for dealing with your affairs – we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- (b) That we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs;
- (c) To provide us with information in sufficient time to be completed and submitted;
- (d) To provide us within seven days of signing, certified copies of directors and shareholder notices, minutes or resolutions.

## 14 Dividend Administration

14.1 You are required to inform us of the amount that you would like to draw out of the company via dividends, not including your wages/salary.

14.2 We will prepare the dividend tax vouchers for your company, which will include the dividend amount and tax credits. We will prepare the minutes relating to the voting of dividends and inform the directors/shareholders of the company of this.

14.3 HMRC enquiries relating to deemed wages and salary payments in respect of dividend payments from the company will be referred to our specialist tax division.

## 15 Bookkeeping

15.1 We will prepare from the information and explanations provided by you, your books of prime entry.

15.2 You are responsible for providing us with the following information required for us to prepare the accounting records:

- (a) Sales invoices;
- (b) Purchase invoices;

- (c) Bank statements;
- (d) Details of bank and cash payments;
- (e) Details of bank and cash receipts;
- (f) Stock and work-in-progress details;
- (g) Access to your accounting records.
- (h) A record of the amounts owed to the business;
- (i) A record of amounts owed by the business;
- (j) A list of accruals;
- (k) A list of prepayments.

## 16 VAT Returns

16.1 We will prepare from the information and explanations provided by you, your VAT return and computations, together with all supporting schedules and, where necessary, amended returns. We will not audit or otherwise check the underlying records.

16.2 You are responsible for making correct returns by the due dates and for payment of VAT on time.

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

- (a) That all returns are to be made on the basis of full disclosure of all sources of income;
- (b) To provide full information necessary for dealing with your affairs – we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- (c) That we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs;
- (d) To provide us with information in sufficient time for your VAT return to be completed and submitted by the end of the month following the return period. In order that we can do this, we need to receive all relevant information by 7 days after the return period ends;
- (e) To keep us informed about significant transactions or changes in circumstances;
- (f) We accept no responsibility for any default surcharge or penalties that may arise if the books and records are not available to us in 7 days after the return period ends or the books and records prove to be incomplete or unclear and in particular are not written up to the end of the period, thereby delaying the preparation and submission of the VAT return or you fail to submit the return and any required payment to HM Revenue & Customs on time after we have sent the return to you for signature.

## 17 Management Accounts Preparation

17.1 The management accounts will be prepared from the information and explanations provided by you for your internal use within your business. They should not be shown to any other party without our prior agreement.

17.2 You are responsible for providing us with the necessary information and prime records for the preparation of the management accounts, including:

- (a) Sales invoices;
- (b) Purchase invoices;
- (c) Bank statements;
- (d) Details of bank and cash payments;
- (e) Details of bank and cash receipts;
- (f) Stock and work-in-progress details;
- (g) Access to your accounting records.
- (h) A record of the amounts owed to the business;
- (i) A record of amounts owed by the business;
- (j) A list of accruals;

- (k) A list of prepayments;
- (l) Monthly records of receipts and payments reconciling the bank control account with the bank statements.

## Payroll Services

18.1 We will maintain your payroll records from the information and instructions provided by you and supply you with completed payslips in electronic format for you to print and pass to employees. Unless otherwise agreed in writing, should you require paper payslips to be sent to you in the post, this will incur an additional administration fee.

18.2 We will provide you with the figures for PAYE and National Insurance contributions for you to pay either electronically or by cheque to the Collector of Taxes. The completed HM Revenue & Customs payslip for the PAYE should be sent in the post to the Collector of Taxes with a cheque or submitted electronically via HMRC's website. We are able to fill in the HM Revenue & Customs payslip on your behalf and send this to you for you to submit upon request, but this may be subject to an additional fee.

18.3 You are responsible for submitting correct returns by the appropriate due dates and for ensuring payment of all taxes on time. Failure to meet the deadlines may result in automatic penalties and/or interest.

18.4 Unless expressly and otherwise agreed in writing, we require up to five working days in which to process your payroll upon receipt of the required information. We cannot be held responsible for your failure to meet the appropriate due dates due to incomplete or no information being provided to us to process your payroll within the aforementioned five working day timescale.

18.5 Due to the confidential nature of this service, should you require us to liaise with a nominated individual to provide to us payroll information, we will require confirmation of such in writing by a Director or Proprietor of the business. In such circumstances, we will communicate with them and accept any instructions given by them until informed otherwise in writing by a Director or Proprietor.

18.6 We do not accept any liability for the integrity of the information that you or your nominated individual provides.

18.7 Depending on the nature and scope of your requirements, it may be necessary to agree a specific schedule and method in which you should provide us with the required information and method and/or schedule for us to complete your payroll computations and submissions. If this is the case, we will detail this in a supplementary written communication.

## 19 FPS & EPS Year End Filing

19.1 We will complete and submit your final full payment submissions and / or Employer Payment Summary for your monthly and year-end return in line with HMRC statutory requirements, supplying you with your employee's P60, which you should pass onto each employee.

19.2 Unless expressly and otherwise agreed in writing, we require up to ten working days in which to process your P11d requirements upon receipt of the required information. We cannot be held responsible for

your failure to meet the appropriate due dates due to incomplete or no information being provided to us to process the Form within the aforementioned ten working day timescale.

## 20 P11d End of Year Form

20.1 We will complete forms P11d for all employees in which you have instructed us with earnings in excess of £500 with benefits in kind for approval and submission by you to HM Revenue & Customs.

20.2 You agree to supply us with complete and accurate details of all benefits and expenses for the tax year (not the accounts year) within 14 days of the end of the tax year.

20.3 Unless expressly and otherwise agreed in writing, we require up to ten working days in which to process your P11d End of Year Form upon receipt of the required information. We cannot be held responsible for your failure to meet the appropriate due dates due to no or incomplete information being provided to us to process the Form(s) within the aforementioned five working day timescale.

20.4 It is your responsibility to supply the form P11d information to your employees by the due date.

## 21 CIS Returns

21.1 In order for us to complete the necessary documentation by the 19<sup>th</sup> of each month, you must provide us with details of the following for the period of the 6<sup>th</sup> of the previous month to the 5<sup>th</sup> of the current month by the 12<sup>th</sup> of each month:

- (a) Name and address of any subcontractor paid during the period (where possible, provide copies of their verification reference);
- (b) Subcontractor(s) CIS registration number;
- (c) Amount paid to Subcontractor(s);
- (d) Tax deducted from Subcontractor(s);
- (e) CIS return sent to you by HM Revenue & Customs not already forwarded; and
- (f) Any other information to assist us with completing monthly returns.

21.2 Upon receipt of the requested information, we will process and file your CIS Return online on your behalf. If you have engaged the services of a new subcontractor we will verify them with HMRC.

21.3 Upon submission of the CIS Return, we will send you electronically a monthly statement along with each sub-contractor's tax deduction statement. It is your responsibility to print these statements and hand them to the respective sub-contractors. They will require these statements in order to complete their Tax Returns. Unless otherwise agreed in writing, should you require paper statements to be sent to you in the post, this will incur an additional administration fee.

21.4 You are responsible for making payment of taxes and making these payments by the due date. Failure to meet the deadlines will result in automatic penalties and/or interest.

21.5 You must ensure that written contracts are agreed with your contractors and that your sub-contractors are aware of what to do if they are contacted by HMRC.

## 22 Tax Enquiry Assignments

22.1 We will provide advice on matters relating to those which you have instructed us. Our recommendations will be based on the information provided by you and our knowledge of your business.

22.2 We make no guarantee as to the benefits to the business following implementation of our recommendations.

22.3 For tax enquiry assignments:

- (a) We will mediate on your behalf with HM Revenue & Customs (HMRC) and conduct a detailed investigation of your affairs for the period under consideration, so that we are in a position to prepare a report for them setting out your financial affairs. This will include the preparation of capital statements and the reconciliation of your assets and liabilities.
- (b) We will provide evidence and substantiate your calculations for the years under consideration and examine the validity of the calculations from the Tax Inspector's conclusions.
- (c) We will give advice on how to best deal with any implications and assertions from the tax enquiry.
- (d) We will present your arguments to HMRC if you determine that their conclusions are erroneous.

22.4 You agree to make a full disclosure to us of all sources of income, charges, allowances and capital transactions and to provide full information necessary for dealing with your affairs: we will rely on the information and documents being true, correct and complete and will not audit the information or those documents.

22.5 You agree to respond without delay and comprehensively, quickly and fully to our requests for information and to other communications from us.

22.6 Upon receipt, you agree to forward to us copies of all HMRC statements of account, PAYE coding notices, notices of assessment, letters and other communications received from HMRC to enable us to deal with them as may be necessary within the statutory time limits.

22.7 You agree that we can approach third parties as may be appropriate for information that we consider necessary to deal with your affairs.

22.8 Because rules and regulations frequently change, you must ask us to confirm any advice already given if a transaction is delayed or a similar transaction is to be undertaken.

## 23 Specific Tax & Business Advisory Services

23.1 Due to the varying and diverse nature of the specific tax and business advisory services that we are able to provide, it may be necessary to write to you under a separate cover to set out our respective responsibilities and to clarify the services that we will be providing. However, the clauses below set out our standard terms of engagement for assignments of this nature.

23.2 We will provide advice on matters relating to those which you have instructed us. Our advice or recommendations will usually be based on the information provided by you and our knowledge of your business.

23.3 As part of our assignment, we may need to report back to you with certain recommendations and benefits. It is your responsibility to decide which recommendations to implement and take action to ensure that implementation takes place, although we may be able to assist you in achieving this.

23.4 We make no guarantee as to the benefits to the business following implementation of our advice or recommendations and we accept no responsibility for any losses arising out of implementing these.

23.5 Our charge out rates for specific tax and business advisory assignments are in line with our standard rates published in our Terms of Business.

## **24 Specific Tax Planning**

24.1 Based on information you provide to us regarding tax and business advisory work outlined in Section 23 above, we may include the option of implementing specific tax planning structures designed to act as tax mitigation measures.

24.2 In the event that such specific tax planning structures involve the use of specialist third parties we will endeavour to give you a full disclosure on the parties carrying out the work on your behalf.

24.3 Such third party fees will be fully disclosed and will be due in addition to any fees charged by us for our part in the implementation, assistance and advice for such tax planning structures.

24.4 The fees for the implementation of such tax planning structures are usually charged at a fixed percentage of the equivalent tax saved. These should not exceed the value of one third of the tax saved unless time costs based on the charge out rates published in our Terms of Business exceed this value, in which case the higher of the two costs will be charged.

24.5 We make no guarantee as to the benefits to you or the business following implementation of our advice or recommendations and we accept no responsibility for any losses arising out of implementing these. In some instances third party insurance may be available against the cost of the tax planning structures, and when this is the case we will endeavour to inform you.

24.6 Our charge out rates for specific tax planning structures are in line with our standard rates published in our Terms of Business.

## **25 Insolvency Administration Assignments**

25.1 We undertake that we will treat any information as confidential unless our legal or ethical responsibilities require us otherwise.

25.2 We will make an assessment of the liquidity of your business based on the information provided and representations given by the Director(s)/Proprietor(s). The advice that we give can only be as good as the information upon which it is based; therefore, you agree to make a full disclosure of your company's affairs. Insofar as that information is provided by you, or by third parties with your permission, your responsibility arises as soon as possible if any circumstances or facts alter as any alteration may have a significant impact on the advice we give. If the circumstances change therefore or your needs alter, advise us of the alteration as soon as possible in writing.

25.3 Should you require, we will arrange a meeting with one or more Insolvency Practitioner, who will be able to advise you on the merits of the various forms of insolvency and which form is the most appropriate for your business' circumstances.

25.4 We will assist you to fulfil your obligations and responsibilities in your capacity of a Director or Proprietor of the business for the gathering and presentation of information for the process of insolvency, whichever route is chosen.

25.5 You agree to respond without delay and comprehensively, quickly and fully to our and the Insolvency Practitioner's requests for information and to other communications from us. In the case of the insolvency procedure of a limited company, failure to do so may have a detrimental impact on the Insolvency Practitioner's report to the DTI to report your conduct as a Director.

25.6 You agree that we can approach third parties as may be appropriate for information that we consider necessary to deal with your affairs.