

## **SCHEDULE OF SERVICES – Partnership Accounts Preparation and Partnership Tax (Version June 2018)**

This schedule should be read in conjunction with the engagement letter and the terms of business.

### **RESPONSIBILITIES AND SCOPE FOR FINANCIAL STATEMENTS PREPARATION SERVICES**

#### **Your responsibility for the preparation of financial statements**

You have undertaken to make available to us, as and when required, all the accounting records and related financial information, including minutes of management meetings, which we need to do our work. You will provide us with all information and explanations relevant to the purpose and compilation of the financial statements, and you will disclose to us all relevant information in full.

You are responsible for ensuring that, to the best of your knowledge and belief, financial information, whether used by the business or for the financial statements, is accurate and complete. You are also responsible for ensuring that the activities of the business are conducted honestly, and for safeguarding the assets of the business and for taking reasonable steps to prevent and detect fraud and other irregularities.

You will approve and sign the financial statements to acknowledge responsibility for them, including the appropriateness of the accounting basis, and acknowledge responsibility for providing us with all information and explanations necessary for their compilation.

You are responsible for ensuring that the business complies with the laws and regulations that apply to its activities, and for preventing non-compliance and detecting any that occurs.

#### **Our responsibilities as accountants**

You have asked us to help you prepare the financial statements which comply with applicable accounting standards to enable profits to be calculated to meet the requirements of current tax legislation and to provide sufficient and relevant information to complete a tax return. We will compile the financial statements for your approval based on the accounting records and the information and explanations you give us.

We will plan our work on the basis that no report on the financial statements is required by statute or regulation for the year, unless you inform us in writing to the contrary. We will make enquiries of management and undertake any procedures that we judge appropriate but are under no obligation to perform procedures that may be required for assurance engagements such as audits or reviews.

Our work will not be an audit of the financial statements in accordance with International Standards on Auditing (UK) so we will not be able to provide any assurance that the accounting records or the financial statements are free from material misstatement, whether caused by fraud, other irregularities or error, or to identify weaknesses in internal controls.

Since we will not carry out an audit or confirm in any way the accuracy or reasonableness of the accounting records, we cannot provide any assurance whether the financial statements we prepare from those records will present a true and fair view.

We will advise you whether your records are adequate for preparation of the financial statements and recommend improvements on anything we come across during the course of our work.

We have a professional duty to compile financial statements that conform with generally accepted accounting principles from the accounting records and information and explanations given to us. The accounting policies on which the financial statements have been compiled will be disclosed in the notes to the financial statements [and will be referred to in our accountants' report]. We will not compile financial statements if the accounting principles, or the accounting policies selected by management are inappropriate.

We also have a professional responsibility not to allow our name to be associated with financial information which we believe may be misleading. Therefore, although we are not required to search for such matters, if we become aware, for any reason, that the financial statements may be misleading, we will discuss the matter with you with a view to agreeing appropriate adjustments and/or disclosures in the financial statements. If adjustments and/or disclosures that we consider appropriate are not made or if we are not provided with appropriate information and, as a result, we consider that the financial statements are misleading, we will withdraw from the engagement.

As part of our normal procedures we may ask you to confirm in writing any information or explanations given to us orally during our work.

#### **Form of the accountants' report.**

We will report to you as appropriate that, in accordance with this engagement letter, we have not carried out an audit but have compiled the financial statements from the accounting records and from the information and explanations supplied to us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than you for our work or for this report. If you wish to share this report with third parties, before doing so, you must discuss this with us, receive our consent and follow any stipulated conditions.

## **RESPONSIBILITIES AND SCOPE FOR LIMITED LIABILITY PARTNERSHIPS TAX RETURN SERVICES**

### **Recurring compliance work**

We will prepare the partnership self-assessment tax return which includes the annual partnership statements, together with any supplementary pages required, from the information and explanations that the partnership provides to us. After obtaining your approval and signature, we will submit these to HM Revenue & Customs (HMRC).

We will prepare the income and capital gains computations based on the partnership's business accounts for inclusion in the partnership tax return.

If instructed by you, we will advise you as partners of the partnership on possible partnership-tax-return-related claims and elections arising from information supplied by the partnership in the form and manner required by HMRC.

If instructed, we will provide each partner or their agent with details of the partner's allocations from the return based on the partnership statement to enable partners to fill in their self-assessment tax returns.

The work carried out within this engagement will be in respect of the partnership's tax affairs. Any work to be carried out for the individual partners (for example submitting their own tax returns or making related claims and elections) will be set out in a separate letter of engagement.

### **Excluded, ad hoc and advisory work**

The scope of our services provided to you will be only as set out above and all other services which we may offer are excluded. If you instruct 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 may be the subject of a separate engagement letter at our option. Where appropriate, we will agree with you a separate fee for any such work you instruct us to undertake. Examples of such work that you may wish to instruct us to undertake include:

- dealing with any enquiry opened into the partnership tax return by HMRC; and
- preparing any amended returns which may be required and corresponding with HMRC as necessary.

If specialist advice is required, we may need to seek this from, or refer you to, appropriate specialists.

### **Changes in the law, in 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, practice, public policy or in your circumstances.

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

### **Your responsibilities**

The partners are legally responsible for:

- ensuring that the partnership self-assessment tax returns are correct and complete;
- filing any returns by the due date; and
- paying tax on time.

Failure to do any of the above may lead to penalties and/or interest.

Taxpayers who sign their returns cannot delegate this legal responsibility to others. You agree to check that returns and partnership statements that we have prepared for the partnership are correct and complete before approving and signing them.

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

- 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 all information 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;
- to authorise us to approach such third parties as may be appropriate, for information that we consider necessary to deal with the partnership's affairs; and

- to provide us with information in sufficient time for the partnership tax return to be completed and submitted by the due date following the end of the tax year; to do this, we need to receive all relevant information within 6 months of the period end; if feasible, we may agree to complete your return within a shorter period but may charge an additional fee for so doing.

You will keep us informed of material changes in circumstances that could affect the partnership tax returns or the partnership statements including, by way of example, changes in the partners in the partnership. If you are unsure whether the change is material, please tell us so that we can assess its significance.

HMRC will send you an agent authorisation code which expires within 30 days of issue. Please send this to us as soon as you receive it. This code will enable us to register as your agent with HMRC. In some circumstances we may also send a form 64-8 for you to sign and return to us for submission to HMRC. This authorises HMRC to communicate with us as your agent, although they consider that you should still take 'reasonable care' over your tax affairs.

You will forward to us letters and other communications received from HMRC, in sufficient time to enable us to deal with them as may be necessary within the statutory time limits. Although HMRC have the authority to communicate with us when form 64-8 has been signed and submitted, it is essential that you let us have copies of any correspondence received, because HMRC are not obliged to send us copies of all communications issued to you.

You are responsible for monitoring the partnership's monthly turnover to establish whether the partnership is liable to register for VAT if it is not already registered. If you do not understand what you need to do, please ask us. If it exceeds the UK VAT registration threshold, and you wish us to assist in notifying HMRC of its liability to be VAT registered, we will be pleased to assist in the VAT registration process. You should notify us of your instructions to assist in the 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 the VAT registration threshold in force at that time was exceeded. We will not be responsible if you fail to notify us in time and incur a late registration penalty as a result. The same applies for equivalent non-UK taxes.

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

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 what 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.