

SCHEDULE OF SERVICES

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

Bookkeeping – Recurring compliance work

Responsibilities

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

1. Sales invoices.
2. Purchase invoices.
3. Bank statements.
4. Details of bank and cash payments.
5. Details of bank and cash receipts.
6. Stock and work-in-progress details.
7. Access to your accounting records.

We have also agreed that you will provide the following:

1. A record of the amounts owed to the business.
2. A record of amounts owed by the business.

Our service to you

We will prepare from the information and explanations provided by you, your books of prime entry as follows:

1. Records of bank receipts and payments.
2. Records of cash receipts and payments.
3. Reconciliations of the bank and cash control accounts.
4. A record of sales.
5. A record of purchases.
6. An analysis of expenditure.
7. A reconciliation of the VAT account in accordance with the VAT scheme.
8. A record of amounts owed to the business.
9. A record of amounts owed by the business.
10. A list of accruals.
11. A list of prepayments.

Taxation - Recurring compliance work

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 Government 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.

We will provide you with copies of the iXBRL information, which will show the tagging applied, for your approval.

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 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:

1. 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
2. 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
3. advising you on and preparing enhanced expenditure claims and reliefs, including those relating to research and development
4. advising you on and preparing detailed capital allowance claims relating to buildings and renovation, including the analysis of expenditure
5. dealing with any enquiry opened into the company's tax return or tax affairs by HMRC
6. preparing any amended returns that may be required and corresponding with HMRC as necessary.

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

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 the interpretation thereof) 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:

1. ensuring that the CTSA return (including XBRL tags and iXBRL file) is correct and complete
2. filing any returns by the due date
3. 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:

1. to provide us with approved accounts for the company. It is the responsibility of the directors collectively to produce accounts which give a true and fair view and we can only provide tagging services where the accounts have been prepared on this basis.

Where the accounts are not supplied in a format that is compatible with our iXBRL software we will convert the figures, which may be subject to an additional fee. This will be discussed and agreed with you in advance.

2. that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions
3. 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
4. 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
5. to provide us with information in sufficient time for the company's CTSA return to be completed and submitted by the due date/selected date following the end of the tax year.
6. 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
7. 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. Any work to be carried out for the directors on a personal basis will be set out in a separate letter of engagement.

1. 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) in the UK.
2. You are responsible for monitoring the monthly turnover to establish whether the company 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 the company turnover exceeds the VAT registration threshold, and you wish us to assist in notifying HMRC of the company's obligation to be VAT registered, we will be pleased to assist in the VAT registration process. You should notify us of your instructions to act in relation to the company's 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 current VAT registration turnover threshold was exceeded. We will not be responsible if we are not notified in time and a late registration penalty is incurred.

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

Payroll Services - Recurring compliance work

We will prepare your UK payroll for each payroll period to meet UK employment tax requirements specifically:

1. calculating the pay as you earn (PAYE) deductions including at the Scottish rate of income tax if applicable
2. calculating the employees' national insurance contributions (NIC) deductions
3. calculating the employer's NIC liabilities
4. calculating statutory payments – for example, statutory sick pay and/or statutory maternity pay
5. calculating reclaims of statutory payment – for example, maternity payments
6. calculating employee and employer pension contributions for employees and workers who are members of workplace pension schemes (including those who are auto-enrolled) on the basis of the information you provide
7. claiming employment allowance
8. calculating, if appropriate, apprenticeship levy
9. calculating other statutory and non-statutory deductions
10. submitting information online to HMRC under real-time information (RTI) for PAYE.

We will prepare and send to you the following documents before the time of payment through the payroll or due date for delivering information to HMRC:

- payroll summary report showing the reconciliation from gross to net for each employee and all relevant payroll totals
- the data included within each full payment submission (FPS) for taxable pay and payrolled benefits for each employee:
 1. a payslip for each employee unless not required
 2. a P45 for each leaver
 3. a report showing your PAYE and NIC liability student loan and apprenticeship levy and due date for payment
 4. a report showing pension contributions payable in respect of each employee to the respective workplace pension scheme(s) of which they are members and the due date(s) for payment.

We will submit FPSs online to HMRC after the data to be included therein on the basis of the data provided, by you. FPSs must reach HMRC normally on or before the payday. You must ensure that the data provided to us is complete and accurate, and your attention is drawn to your legal responsibilities as set out below.

For each tax month we will prepare, where appropriate, an employer payment summary (EPS) from the information and explanations that you provide to us. (Examples of EPS data include statutory payments, employment allowance, Construction Industry Scheme deductions, apprenticeship levy allowance allocated to the PAYE scheme, apprenticeship allowance payable to date and confirmation that no payments were made to employees.)

We will submit EPSs to HMRC after the data to be included therein on the basis of the data provided by you. (EPSs must reach HMRC by the 19th of the month following the tax month to which they relate). You must ensure

that the data provided to us is complete and accurate, and your attention is drawn to your legal responsibilities as set out below.

At the end of the payroll year we will:

1. prepare the final FPS (or EPS) and submit this to HMRC after the data to be included therein on the basis of the data provided by you. (The final FPS (or EPS) for the year must reach HMRC by 19 April following the end of the tax year.) You must ensure that the data provided to us is complete and accurate and your attention is drawn to your legal responsibilities as set out below
2. prepare and send to you form P60 for each employee on the payroll at the year-end so that you can give them to employees by the statutory due date of 31 March following the end of the tax year
3. prepare and send to you a statement for every employee for whom benefits-in-kind (BiK) have been payrolled, identifying every benefit provided to each employee during the tax year and the cash equivalent of each benefit treated as PAYE income so you can give them to employees by the statutory due date of 31 May following the end of the tax year
4. give you details of the class 1A NIC on payrolled BiK, which will need to be accounted for on form P11D(b) and the due date for payment
5. give you details of the class 1A NIC on expenses accounted for in the payroll, which will need to be accounted for on form P11D(b) and the due date for payment
6. give you the figures that need to be included on forms P11D to account for income tax in respect of expenses for which class 1 NIC has been accounted for in the payroll

We will submit national insurance number (NINO) verification requests as appropriate to verify or obtain a NINO for a new employee.

Note that we will only deal with the nominated person within the organisation. Any enquiries from individual employees concerning their wages or other payroll details will be referred back to that responsible person.

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.

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 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:

1. advising on ad hoc transactions (for example, termination payments to employees) and queries (including telephone conversations), preparing and submitting information in the relevant format to HMRC and calculating any related tax and NIC liabilities
2. dealing with any compliance check or enquiry by HMRC into the payroll returns
3. preparing and submitting any amended returns or data for previous tax years and corresponding with HMRC as necessary
4. helping with setting up and administering workplace pension schemes, including referring you to appropriate specialists where necessary
5. agreeing with you which employer-provided BiK will be processed through the payroll and for which employees, registering the PAYE scheme to payroll BiK, processing through the payroll cash equivalent

notional amounts, notifying HMRC of in-year changes, advising you on the payment of associated class 1A NIC, preparing and submitting return P11D(b), and notifications to employees

6. preparing and submitting returns P11D and P11D(b) for employee BiK and expenses, and advising on the payment of associated class 1A NIC (such work if undertaken is covered in a separate schedule of services)
7. assisting you in the operation of the Construction Industry Scheme (CIS) for subcontractors
8. conducting PAYE, and benefits and expenses health checks
9. helping you to allocate apprenticeship levy allowance across your different PAYE schemes/group companies/connected charities.

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

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 the interpretation thereof) 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:

1. ensuring that the data in your payroll submissions is correct and complete
2. making any submissions by the due date
3. paying tax and NIC on time.

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

Employers cannot delegate this legal responsibility to others.

You are responsible for maintaining your employees' information, including any changes to the employees' bank account details.

To enable us to carry out our work you agree:

1. that all information required to be delivered online is submitted on the basis of full disclosure
2. to provide full information necessary for dealing with your payroll affairs and workplace pension scheme contributions; we will rely on the information and documents being true, correct and complete, and will not audit the information or those documents
3. to agree with us the names of the persons authorised by you to notify us of changes in employees and in rates of pay. We will process the changes only if notified by that/those individuals
4. to advise us in writing of changes of payroll pay dates and workplace pension scheme contribution dates

5. to notify us at least 10 working days or such other period as agreed with us prior to the payroll pay date of all transactions or events that may need to be reflected in the payroll for the period, including details of:
 - all new employees (including full names, address, date of birth, gender, national insurance number) and details of their remuneration packages
 - all leavers and any termination payments
 - all changes to remuneration packages
 - all pension scheme changes
 - all changes to benefits and expenses reportable under an existing payroll benefits and expense online service registration
 - irregular and/or ad hoc payments and the dates to be paid;
6. to approve/provide the data required to complete:
 - in-year FPS by at least 5 working days prior to payroll pay dates so that they can be submitted on or before payday, or as agreed with us
 - in-year EPS by at least 5 days prior to 19th of the month following the tax month
 - final FPS (or EPS when applicable) for the year at least 5 days prior to 19 April following the end of the tax year
 - EYU within 5 days.
7. to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs.

You will keep us informed of material changes in circumstances that could affect the payroll. If you 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. 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.

If the information required to complete the payroll services set out above is received later than the dates specified above or agreed with us, we will still endeavour to process the payroll and returns to meet the agreed payroll date and filing deadlines but we will not be liable for any costs or other losses arising if the payroll is late or the returns are filed late in these circumstances. We may charge an additional fee for work carried out in a shorter time period.

You must also refer to the attached schedule confirming data processing details.

Schedule confirming data-processing details

1. Subject matter of processing

Payroll information

2. Duration of the processing

Monthly

3. Nature and purpose of the processing

Payroll for the calculation of monthly payments to staff and statutory bodies. Annual data submissions as required by statutory bodies.

4. Types(s) of personal data to be processed

Age, address, earnings, tax codes

5. Categories of data subjects

Individual personal

6. Our obligations (as data processor) to you (as data controller)

- a. We will process personal data only on documented instructions from you, including with regard to transfers of personal data to a third country or an international organisation, unless required to do so by EU law or the law of a Member State; in such a case, we shall inform you of that legal requirement before processing, unless the law in question prohibits such information on important grounds of public interest
- b. We will obtain a commitment of confidentiality from anyone we authorise to process the personal data, unless they are already under a statutory obligation of confidentiality
- c. We will take all measures required pursuant to Article 32 of the GDPR
- d. We will not engage another processor without your prior written consent. If you provide such consent, we will only engage another processor in compliance with the requirements of Article 28(2) and 28(4) of the GDPR
- e. Insofar as is possible, we will assist you in fulfilling your obligations to data subjects under chapter III of the GDPR
- f. We will assist you in ensuring compliance with your obligations pursuant to Articles 32 to 36 of the GDPR
- g. At the end of the contract we will delete all the personal data we have been processing for you/we will return to you all the personal data we have been processing for you, save insofar as we are required by law to retain any of the personal data
- h. We will make available to you all information necessary to demonstrate compliance with the obligations laid down in Article 28 of the GDPR
- i. We will allow you (and/or an auditor appointed by you) to carry out audits and inspections in respect of compliance with the obligations laid down in Article 28 of the GDPR, and will contribute to such audits and inspections

- j. We will inform you immediately if we consider we have been given an instruction which infringes the GDPR and/or other EU and/or Member State data protection provisions.

7. Your obligations as data controller

To provide information as required to allow us to comply with our responsibilities under GDPR.

8. Our responsibilities under GDPR

Nothing within this contract relieves us of our own direct responsibilities under the GDPR.

9. Additional instructions

Technical and organisational security measures

We agree to maintain technical encryption and security of data as outlined in our IT policy, a copy of which is available from our offices.

VAT Returns - Recurring compliance work

We will prepare your monthly/quarterly VAT returns on the basis of the information and explanations supplied by you.

Based on the information that you provide to us, we will tell you how much you should pay and when. If appropriate, we will initiate repayment claims where tax has been overpaid. We will advise on the interest and penalty implications if VAT is paid late.

We will forward to you the completed return calculations for you to review before you provide written evidence of your approval, for onward transmission by you/us to HMRC.

When your VAT return calculations need to be uploaded to HMRC to comply with the “Making Tax Digital” (MTD) regulations, you must ensure that you use functionally compatible software and/or spreadsheets that are digitally linked to the accounts software and which can be submitted to HMRC via an application programme interface (API). If you require us to upload your VAT return calculations in accordance with the MTD requirements, you must provide us with all the necessary digital links to submit all the transaction records that are required by HMRC, together with confirmation that your digital records are complete and accurate.

Where you are invoice (accruals) accounting for income tax, we will perform an annual recognition of VAT outputs to turnover.

Ad hoc and advisory services

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 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:

1. 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
2. reviewing and advising on a suitable partial exemption method to use in preparing the return
3. dealing with all communications relating to your VAT returns addressed to us by HMRC or passed to us by you
4. making recommendations to you about the use of cash accounting, annual accounting, flat rate and other suitable methods of accounting for VAT
5. making recommendations to you about the use of VAT Mini One Stop Shop (MOSS) if you supply digital services to consumers in the EU
6. providing you with advice on VAT excise duty/customs duty/landfill tax/insurance premium tax/aggregates levy/climate change levy as and when requested.

Where the advice is provided in writing, the information provided and the query raised will be set out with our response to you.

Where specialist advice is required in certain areas, 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 the interpretation thereof) or practice or in public policy that are first published after the date on which the advice is given.

Your responsibilities

You are legally responsible for:

1. ensuring that your returns are correct and complete
2. filing any returns by the due date
3. making payment of tax on time.

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

Legal responsibility for approval of the return cannot be delegated to others. You agree to check that returns that we have prepared for you are complete before approving them.

To enable us to carry out our work you agree:

1. that all returns are to be made on the basis of full disclosure
2. that you are responsible for ensuring that the information provided is, to the best of your knowledge, accurate and complete. The returns are prepared/reviewed solely on the basis of the information provided by you and we accept no responsibility for any liabilities arising due to inaccuracies or omissions in the information you provide, which may lead to a misdeclaration on which penalties and interest may arise
3. to authorise us to approach such third parties as may be appropriate for information we consider necessary to deal with the returns
4. to provide us with all the records relevant to the preparation of your monthly/quarterly returns as soon as possible after the return period ends. We would ordinarily need a minimum of 10 days before submission to complete our work. If the records are provided later or are incomplete or unclear, thereby delaying the preparation/review and submission of the return, we accept no responsibility for any “default surcharge” penalty that may arise. Where 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 your obligations, for example:

1. change in the nature of your business
2. change of type of supply for VAT
3. change in your type of business entity such as from sole trader into partnership
4. acquisition or disposal of land or property etc
5. starting to make supplies which are exempt from VAT

6. you have reclaimed VAT within the last 10 years, having spent over £250,000 in purchasing, building or redeveloping a property, and the extent to which it is being used for taxable and/or exempt purposes has changed since you first reclaimed the VAT (ie Capital Goods Scheme adjustments will apply).

Where you wish us to deal with HMRC communications you will forward to us all communications received from HMRC such as 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.

You are responsible for bringing to our attention any errors, omissions or inaccuracies in your returns that you become aware of after the returns have been submitted in order that we may assist you to make a voluntary disclosure.

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 MOSS in the UK.

If you are involved with any other business which is not registered for VAT 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, you must give us clear instructions to assist you in the VAT registration process. You should notify us of your instructions in good time to enable the VAT registration application form to be submitted within the statutory time limit of one month following the month in which you exceeded 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.

If EC Sales Lists need to be completed you are responsible for obtaining all of your customers' VAT registration numbers in other member states and to check any that you are not completely satisfied with, with HMRC.

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